DRAFT RED HERRING PROSPECTUS
March 28, 2013
Please read Section 60B of the Companies Act, 1956
(The Draft Red Herring Prospectus will be updated and become Red Herring Prospectus upon RoC filing)
100% Book Building Issue

advanced enzymes
Where ENZYME is Life

ADVANCED ENZYME TECHNOLOGIES LIMITED

(Our Company was incorporated on March 15, 1989 under the provisions of the Companies Act, 1956 as Advanced Biochemicals Private Limited in Maharashtra. Pursuant to a special resolution passed by the shareholders of our Company at the extra-ordinary general meeting held on 21st April, 1992 our Company was converted into a public limited company and consequently the name was changed to Advanced Biochemicals Limited. A fresh certificate of incorporation reflecting the new name was issued by the Registrar of Companies, Maharashtra on 28th May, 1992. Pursuant to a special resolution passed by the shareholders of our Company at the extra-ordinary general meeting held on 8th August, 2005, the name was further changed from Advanced Biochemicals Limited to Advanced Enzyme Technologies Limited. A fresh certificate of incorporation reflecting the new name was issued by the Registrar of Companies, Maharashtra on 19th August, 2005. The Corporate Identification Number of our Company is U24200MH1989PLC051018. For details in change of registered office please see the section titled "History and Certain Corporate Matters" on page no. 215 of this DRHP).

Registered Office: Sun Magnetica, 5th Floor, Near LIC Service Road, Louis Wadi, Thane – 400 604.
E-mail: info@enzymeindia.com; **Website:** www.enzymeindia.com**; Tel:** +91-22-4170 3200, **Fax:** +91-22-25835159
Contact Person and Compliance Officer: Mr. Sunil Sharma; **Email:** sunil.sharma@enzymeindia.com
Promoters: Mr. Chandrakant Laxminarayan Rathi and Mr. Vasant Laxminarayan Rathi

PUBLIC ISSUE OF [•] EQUITY SHARES OF ₹ 10/- EACH OF ADVANCED ENZYME TECHNOLOGIES LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [•] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹ [•] PER EQUITY SHARE) AGGREGATING UPTO ₹ [•] MILLION (THE "ISSUE") COMPRISING OF A FRESH ISSUE OF [•]EQUITY SHARES BY OUR COMPANY AGGREGATING TO ₹ 2,000 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE UPTO 37,00,000 EQUITY SHARES BY MR. VASANT LAXMINARAYAN RATHI, MR. PRADIP BHAILAL SHAH, CHANDRAKANT RATHI FINANCE AND INVESTMENT COMPANY PRIVATE LIMITED, MR. MADHUSUDAN KABRA AND MR. KISHOR LAXMINARAYAN RATHI (THE "SELLING SHAREHOLDERS") AGGREGATING TO ₹ [•] MILLION (THE "OFFER FOR SALE"). THE ISSUE COMPRISES A RESERVATION OF UPTO 1,00,000 EQUITY SHARES FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (AS DEFINED IN "DEFINITIONS AND ABBREVIATIONS") (THE "EMPLOYEE RESERVATION PORTION"). THE NET ISSUE WILL CONSTITUTE 25% OF THE FULLY DILUTED POST ISSUE PAID-UP CAPITAL OF OUR COMPANY.

Price Band: ₹ [•] To ₹ [•] Per Equity Share of Face Value of ₹ 10/- Each.

The Price Band and the minimum bid lot size and the rupee amount of the employee discount will be decided by our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers and advertised at least five working days prior to the bid/issue opening date. Discount of ₹ [•]to the Issue Price may be offered to the Eligible Employees bidding in the Employee Reservation Portion (the "**Employee Discount**"), respectively.

The Floor Price is [•] times of the Face Value and the Cap Price is [•] times of the Face Value

In case of revision in the Price Band, the Bid/Issue Period shall be extended for 3 additional working days after such revision, subject to the Bid/Issue Period not exceeding 10 working days. Any revision in the Price Band, and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE), whose online IPO system will be available for bidding, by issuing a press release and by indicating the change on the website of the Book Running Lead Managers (BRLMs) and the terminals of the member(s) of the Syndicate.
The Issue is being made under Sub-regulation (1) of Regulation 26 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and through a 100% Book Building Process wherein 50% of the Net Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (QIBs) subject to valid bids being received at or above the Issue Price. Provided that our Company and the Selling Shareholders, in consultation with the BRLMs may allocate up to 30% of the QIB Portion, to Anchor Investors, on a discretionary basis ("**Anchor Investor Portion**"). For details, please see "Issue Procedure" on page 461 of this DRHP. Out of the portion available for allocation to the QIBs, 5% will be available for allocation to Mutual Funds only. Mutual Fund Bidders shall also be eligible for proportionate allocation under the balance available for the QIBs. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. The allotment of Equity Shares to each Retail Individual Bidder shall not be less than minimum bid lot, subject to availability of Equity Shares in Retail Investor category, and the remaining available Equity Shares, if any, shall be allotted on proportionate basis. Further, 100,000 Equity Shares shall be reserved for allocation on a proportionate basis to Eligible Employees, subject to valid Bids being received at or above the Issue price. All Investors other than Anchor Investors may participate in the Issue though the ASBA process by providing the details of their respective ASBA Accounts. QIBs and Non Institutional Bidders shall mandatorily participate through the ASBA process. Specific attention is invited to the section titled "Issue Procedure" on page 461 of this DRHP.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first public issue of Equity Shares of our Company, there has been no formal market for our Equity Shares. The face value of the Equity Shares is ₹ 10/- and the Issue Price is [•] times of the Face Value. The Issue Price (as determined and justified by the Issuer and the Selling Shareholders, in consultation with the BRLMs as stated under the chapter on "Basis for Issue Price" beginning on page 135 of this DRHP) should not be taken to be indicative of the market price of our Equity Shares after our Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares of our Company nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue including the risk involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India (SEBI) nor does the SEBI guarantee the accuracy or adequacy of this document. Specific attention of the investors is invited to the statement of "Risk Factors" beginning on Page 14 of this DRHP.

ISSUER AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable enquiries, accepts responsibility for and confirms that this DRHP contains all information with regard to our Company and the Issue, which is material in the context of the Issue; that the information contained in the DRHP is true and correct in all material aspects and is not misleading in any material respect; that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. The Selling Shareholders accept responsibility that the Draft Red Herring Prospectus contains all information about them as Selling Shareholders, which is material in the context of the Offer for Sale. The Selling Shareholders, having made all reasonable inquiries, accept responsibility for and confirm that the information relating to the Selling Shareholders contained in the Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect.

IPO GRADING

The Issue has been graded by [•] and has been assigned a grade of [•]/5 indicating [•] fundamentals. The IPO Grading is assigned on a 5 point scale from 1 to 5 with an 'IPO Grade 5' indicating strong fundamentals and an 'IPO Grade 1' indicating poor fundamentals. For further details and grading rationale, please refer to the section "General Information" on page no. 62 of this DRHP.

LISTING ARRANGEMENT

The Equity Shares issued through this DRHP are proposed to be listed on BSE and on the NSE. In-principle approvals have been received from BSE and NSE for the listing of the Equity Shares vide their letters dated[•] and[•] respectively. For the purposes of this Issue, [•] shall be the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE ISSUE
ICICI Securities	SBI Capital Markets Limited	LINK INTIME INDIA PVT LTD
ICICI SECURITIES LIMITED ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai - 400 020. Tel. No.: +91- 22-2288 2460 / 70; Fax No.: +91- 22- 2282 6580 Email: aetl.ipo@icicisecurities.com Investor Grievance Email: customercare@icicisecurities.com Website: www.icicisecurities.com Contact Persons: Mr. Sumit Agarwal / Ms. Payal Kulkarni / Mr. Vishal Kanjani SEBI Registration No.: INM000011179	**SBI CAPITAL MARKETS LIMITED** 202, Maker Tower E, Cuffe Parade, Mumbai 400 005 Tel. No.: +91- 22- 2217 8300; Fax No.: +91- 22- 2218 8332 Email: aetl.ipo@sbicaps.com Investor Grievance Email: investor.relations@sbicaps.com Website: www.sbicaps.com Contact Persons: Ms. Kavita Tanwani / Mr. Sambit Rath SEBI Registration No.: INM000003531	**LINK INTIME INDIA PRIVATE LIMITED** C-13, Pannalal Silk Mills Compound L.B.S. Marg, Bhandup (West), Mumbai 400 078, Tel: (+91 22) 2596 7878, Fax: (+91 22) 2596 0329 Email : aetl.ipo@linkintime.co.in Website: www.linkintime.co.in Contact Person: Mr. Sachin Achar SEBI Registration Number: INR000004058

ISSUE PROGRAMME

Bid/Issue Opens on [•], 2013*	Bid/Issue Closes on [•], 2013**

****Our Company and the Selling Shareholders in consultation with the BRLMs may consider participation by Anchor Investors. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Issue Opening Date.***
*****Our Company and the Selling Shareholders in consultation with the BRLMs, may decide to close the Bidding for QIBs one day prior to the Bid/Issue Closing Date.***

TABLE OF CONTENTS

SECTION I – DEFINITIONS AND ABBREVIATIONS

ISSUER RELATED TERMS

Term	Description
"Advanced Enzyme Technologies Limited", "our Company", "the Company", "the Issuer Company", "the Issuer" "we", "us", and "our"	Unless the context otherwise requires, refers to Advanced Enzyme Technologies Limited, a public limited company incorporated under the Companies Act, 1956.
Articles/ Articles of Association	The Articles of Association of Advanced Enzyme Technologies Limited.
Auditors	Walker, Chandiok & Co
Board/Board of Directors	The Board of Directors of Advanced Enzyme Technologies Limited unless otherwise specified or any committee constituted thereof.
Group Companies	Atharva Capital Ventures Private Limited, Advanced Vital Enzymes Limited, Chandrakant Rathi Finance and Investment Company Private Limited, Rathi Property LLC, C.L. Rathi HUF, Enzymes Association of India and Vasant and Prabha Rathi Generation Trust.
Memorandum/ Memorandum of Association	The Memorandum of Association of Advanced Enzyme Technologies Limited.
Promoter(s)	Unless the context otherwise requires, refers to Mr. Chandrakant Laxminarayan Rathi and Mr. Vasant Laxminarayan Rathi
Promoter Group	Individuals, Companies and entities forming part of our Promoter Group as per clause 2(1)(zb) the SEBI ICDR Regulations. *For details please see "Our Promoters, Promoter Group and Group Companies" on page 246 of this DRHP*.
RoC	Office of Registrar of Companies, Maharashtra, Mumbai.
Registered Office/Corporate Office	Sun Magnetica, 5th Floor, Near LIC Service Road, Louis Wadi, Thane-400 604, Maharashtra
Selling Shareholders	Mr. Vasant Laxminarayan Rathi, Mr. Pradip Bhailal Shah, Chandrakant Rathi Finance and Investment Company Private Limited, Mr. Madhusudan Kabra and Mr. Kishor Laxminarayan Rathi

CONVENTIONAL/GENERALTERMS

Term	Description
Act/ Companies Act	The Companies Act, 1956, as amended from time to time.
Depository	A body corporate registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996.
Equity Shares	The Equity Shares of face value of ₹ 10/- each of Advanced Enzyme

Term	Description
	Technologies Limited.
Indian GAAP	Generally Accepted Accounting Principles in India.
Non Resident	A person resident outside India, as defined under FEMA, including an Eligible NRI and an FII.
NRI/ Non-Resident Indian	A person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin as defined under FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
Quarter	A period of three continuous months.
RBI Act	The Reserve Bank of India Act, 1934.
SEBI	Securities and Exchange Board of India.
SEBI Act	Securities and Exchange Board of India Act, 1992 as amended from time to time.
SEBI ICDR Regulations	Means the regulations for Issue of Capital and Disclosure Requirements issued by Securities and Exchange Board of India, constituted in exercise of powers conferred by Section 30 of the Securities and Exchange Board of India Act, 1992 (as amended), called Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.
Stock Exchanges	Bombay Stock Exchange Limited (BSE Limited) and The National Stock Exchange of India Limited (NSE), referred to as collectively.

ISSUE RELATED TERMS

Term	Description
"Allot" or "Allotment" or "Allotted"	The allotment of Equity Shares pursuant to the Issue.
Allottee	A successful Bidder to whom Allotment is made.
Anchor Investor(s)	A QIB, applying under the Anchor Investor Portion, who has Bid for an amount of at least ₹ 100 Million.
Anchor Investor Allocation Notice	Notice or intimation of allocation of Equity Shares sent to Anchor Investors who have been allocated Equity Shares, and includes any device, intimation or notice sent to Anchor Investors in the event that the Issue Price is higher than the Anchor Investor Allocation Price.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated in terms of the Red Herring Prospectus and Prospectus to the Anchor Investors, which will be decided by our Company in consultation with the BRLMs on the Anchor Investor Bidding Date.
Anchor Investor Bidding Date	One Working Day prior to the Bid/Issue Opening Date on which Bids by Anchor Investors shall be submitted, prior to or after which the members of the Syndicate will not accept any Bids from Anchor Investors and allocation to Anchor Investors shall be completed.
Anchor Investor Issue Price	The final price at which Allotment will be made to Anchor Investors in terms of the Red Herring Prospectus and Prospectus, which shall be higher than or equal to the Issue Price.
Anchor Investor Pay-in Date	With respect to Anchor Investors, it shall be the Anchor Investor Bidding Date, and, in the event the Anchor Investor Allocation Price is lower than the Issue Price, not later than two Working Days after the Bid/Issue Closing Date.

Term	Description
Anchor Investor Portion	Up to 30% of the QIB Portion, which may be allocated by our Company, in consultation with the BRLMs, to Anchor Investors on a discretionary basis, out of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price.
"ASBA" or "Application Supported by Blocked Amount"	The application (whether physical or electronic) used by an ASBA Bidder to make a Bid authorizing an SCSB to block the Payment Amount in the specified bank account maintained with such SCSB.
ASBA Account	Account maintained with an SCSB which will be blocked by such SCSB to the extent of the Payment Amount specified by an ASBA Bidder.
ASBA Bidder	Any Bidder, other than Anchor Investors, in the Issue who Bids through ASBA.
ASBA Form	The application form, whether physical or electronic, by which an ASBA Bidder can make a Bid, authorising an SCSB to block the Payment Amount in the ASBA Account maintained with such SCSB pursuant to the terms of the Red Herring Prospectus.
Bankers to the Issue	The Escrow Collection Banks, Public Issue Account Bank and Refund Bank.
Basis of Allotment	The basis on which the Equity Shares will be allotted as described in "*Issue Procedure*" on page 461.
Bid	An indication to make an offer during the Bidding/Issue Period by a Bidder (other than an Anchor Investor) or on the Anchor Investor Bidding Date by an Anchor Investor, pursuant to submission of an ASBA Form or a Bid-cum-Application Form to subscribe for Equity Shares, at a price within the Price Band, including all revisions and modifications thereto, in terms of the Red Herring Prospectus and the Bid-cum-Application Form or ASBA Form, as the case may be.
Bidder	A prospective investor in the Issue, and unless otherwise stated or implied, includes an ASBA Bidder and Anchor Investor.
Bidding	The process of making a Bid.
Bid Amount	The highest value of optional Bids indicated in the Bid-cum-Application Form and payable by the Bidder on submission of a Bid in the Issue, and in case of ASBA Bidders, the amount mentioned in the ASBA Form. In case of Retail Individual Bidders and Eligible Employees Bidding at the Cut-Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder or Eligible Employee and mentioned in the Bid-cum-Application Form.
Bidding Centres	Centres for acceptance of the Bid-cum-Application Forms and Revision Forms which shall include Broker Centres.
Bid-cum-Application Form	The form including the ASBA Form where the context so requires, in terms of which a Bidder makes a Bid in terms of the Red Herring Prospectus which will be considered as an application for Allotment.
Bid/Issue Closing Date	Except in relation to Anchor Investors, the date after which the Syndicate, the SCSBs and the Registered Brokers will not accept any Bids, and which shall be notified in an English national daily newspaper, a Hindi national daily newspaper and a Marathi daily newspaper, each with wide circulation and in case of any revision, the extended Bid/Issue Closing Date shall also be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations. Further, our Company and the Selling Shareholders, in consultation with the BRLMs, may decide to close Bidding by QIBs one Working Day prior to the Bid/Issue Closing Date.
Bid/Issue Opening Date	Except in relation to Anchor Investors, the date on which the Syndicate, the SCSBs and the Registered Brokers shall start accepting Bids, and which shall be the date notified in an English national daily newspaper, a Hindi national daily newspaper and a Marathi daily newspaper, each with wide circulation.
Bidding/Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date or the QIB Bid/Issue Closing Date, as the case may be (in either case inclusive of such date and the Bid/Issue Opening Date) during which Bidders, other than Anchor Investors, can submit their Bids. Provided however that the Bidding/Issue Period shall be kept open for a

Term	Description
	minimum of three Working Days for all categories of Bidders, other than Anchor Investors.
Book Building Process	The book building process as described in Part A of Schedule XI of the SEBI ICDR Regulations.
BRLMs	Book running lead managers to the Issue, being I-Sec and SBI Caps.
Cap Price	The higher end of the Price Band, in this case being ₹ [●], and any revisions thereof, above which the Issue Price will not be finalised and above which no Bids will be accepted.
CAN	Confirmation of Allotment notice *i.e.* a note or advice or intimation of Allotment of Equity Shares sent to the Bidders to whom Equity Shares have been Allotted. In the case of Anchor Investors CAN shall mean the note or advice or intimation of Allotment of Equity Shares sent to the Anchor Investors to whom Equity Shares have been Allotted.
Controlling Branches	Such branches of the SCSBs which co-ordinate Bids under the Issue by the ASBA Bidders with the Registrar to the Issue and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other websites as may be prescribed by SEBI from time to time.
Cut-Off Price	Any price within the Price Band determined by our Company and the Selling Shareholders in consultation with the BRLMs as the Issue Price, at which only the Retail Individual Bidders and Eligible Employees are entitled to Bid for Equity Shares at a Payment Amount not exceeding ₹ 200,000.
Demographic Details	The address, the bank account details, MICR code and occupation of a Bidder.
Depository	A depository registered with SEBI under the Depositories Act.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
"Depository Participant" or "DP"	A depository participant registered with SEBI under the Depositories Act.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other websites as may be prescribed by SEBI from time to time.
Designated Date	The date on which funds are transferred from the Escrow Account to the Public Issue Account or the Refund Account, as appropriate, or the funds blocked by the SCSBs are transferred from the ASBA Accounts specified by the ASBA Bidders to the Public Issue Account, as the case may be.
"Designated Stock Exchange" or "DSE"	[•]
"Draft Red Herring Prospectus" or "DRHP"	The draft red herring prospectus dated March 28, 2013 filed with SEBI, prepared and issued by our Company in accordance with the SEBI ICDR Regulations.
Eligible Employee	Permanent and full-time employees of our Company or our Subsidiaries, as the case may be (including our directors but excluding promoters and immediate relatives of the promoters and such other persons not eligible under applicable laws, rules, regulations and guidelines) as on the date of filing of the Red Herring Prospectus with the RoC until submission of the Bid-cum-Application Form or the ASBA Form, as the case may be, and subject to the requirements of the SEBI ICDR Regulations. An employee of our Company or of our Subsidiaries who is recruited against a regular vacancy, but is on probation, as on the date of submission of the Bid-cum-Application Form or the ASBA Form, as the case may be, will be deemed to be a '*permanent employee*' of our Company or our Subsidiaries, as the case may be.
Employee Discount	Discount of [●] % of the Issue Price, amounting to ₹ [●] per Equity Share, that may be given to the Eligible Employees.
Eligible NRI	An NRI from such a jurisdiction outside India where it is not unlawful to make an offer or

Term	Description
	invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to bid on the basis of the terms thereof.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby and who have opened demat accounts with SEBI registered qualified depository participants.
Employee Reservation Portion	Reservation of 100,000 Equity Shares, available for allocation to Eligible Employees on a proportionate basis
Escrow Account(s)	Accounts opened for the Issue to which cheques or drafts are issued by Bidders (excluding ASBA Bidders) in respect of the Payment Amount.
Escrow Agreement	An agreement to be entered into between our Company, the Selling Shareholders, the Registrar to the Issue, the Bankers to the Issue, the BRLMs and the Syndicate Members for the collection of Payment Amounts and for remitting refunds, if any, to the Bidders (excluding the ASBA Bidders) on the terms and conditions thereof.
Escrow Collection Banks	The banks which are clearing members and registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994, with whom the Escrow Account(s) will be opened and, in this case being [●].
First Bidder	The Bidder whose name appears first in the Bid-cum-Application Form or Revision Form or the ASBA Form or the ASBA Revision Form.
Floor Price	The lower end of the Price Band below which no Bids will be accepted, in this case being ₹ [●], and any revisions thereof.
I-Sec	ICICI Securities Limited.
IPO Grading Agency	[●], the credit rating agency appointed by our Company for grading the Issue.
Issue	Public issue of [●] equity shares of ₹ 10/- each of the Company for cash at a price of ₹ [●] per equity share (including a premium of ₹ [●] per equity share) aggregating upto ₹ [•] Million (the "**Issue**") comprising of a fresh issue of [●] equity shares by our Company aggregating to ₹ 2,000 million (the "**Fresh Issue**") and an offer for sale upto 37,00,000 Equity Shares by Mr. Vasant Laxminarayan Rathi, Mr. Pradip Bhailal Shah, Chandrakant Rathi Finance and Investment Company Private Limited, Mr. Madhusudan Kabra and Mr. Kishor Laxminarayan Rathi (the "**Selling Shareholders**") aggregating to ₹ [•] Million (the "**Offer for Sale**"). The Issue comprises a reservation of upto 1,00,000 Equity Shares for subscription by Eligible Employees (as defined herein) (the "**Employee Reservation Portion**"). The Net Issue will constitute 25 % of the fully diluted post issue paid-up capital of our Company.
Issue Agreement	The agreement entered into on March 26, 2013 among our Company, Selling Shareholders and the BRLMs.
Issue Price	The price at which Allotment will be made, as determined by our Company in consultation with the BRLMs. Unless otherwise stated or the context otherwise implies, the term Issue Price refers to the Issue Price applicable to investors other than Anchor Investors, and with respect to Eligible Employees, shall mean the Issue Price net of the Employee Discount, respectively.
Listing Agreements	Listing agreement to be entered into by our Company with each of the Stock Exchanges.
Mutual Fund Portion	5% of the Net QIB Portion or [●] Equity Shares available for allocation to Mutual Funds only.
Net Proceeds	Proceeds from the Fresh Issue after deduction of Issue expenses.
Net Issue	The Issue less the Employee Reservation Portion.
Net QIB Portion	The QIB Portion less the number of Equity Shares Allotted to the Anchor Investors.
Non-Institutional Bidders	All Bidders (including Sub-Accounts of FIIs which are foreign corporates or foreign individuals but not including NRIs, other than Eligible NRIs) that are not QIBs or Retail Individual Bidders or Eligible Employees Bidding under the Employee Reservation Portion, who have Bid for an amount more than ₹ 200,000.

Term	Description
Non-Institutional Portion	The portion of the Issue being not less than 15% of the Net Issue consisting of [●] Equity Shares, available for allocation to Non-Institutional Bidders, on a proportionate basis.
Offer for Sale	The offer for sale of up to 37,00,000 Equity Shares by the Selling Shareholders aggregating up to ₹ [●] Million, pursuant to the terms of the Draft Red Herring Prospectus.
Pay-in Period	The period commencing on the Bid/Issue Opening Date and extending until the closure of the Anchor Investor Pay-in Date.
Payment Amount	In the case of QIBs and Non-Institutional Bidders, the Bid Amount, and in case of Eligible Employees, the Bid Amount less the Employee Discount, as the case may be.
Price Band	The price band with minimum price being the Floor Price and the maximum price being the Cap Price, including any revisions thereof and advertised in an English national daily newspaper, a Hindi national daily newspaper and a Marathi daily newspaper, each with wide circulation in the place where our Registered Office is situated, at least five Working Days prior to the Bid/Issue Opening Date.
Pricing Date	The date on which the Issue Price is decided by our Company in consultation with the BRLMs.
Prospectus	The prospectus of our Company to be filed with the RoC for the Issue after the Pricing Date, in accordance with Sections 56, 60 and 60B of the Companies Act and the SEBI ICDR Regulations, containing amongst other things, the Issue Price as determined at the end of the Book Building Process, the size of the Issue and certain other information.
Public Issue Account	The bank account opened with the Public Issue Account Banks by our Company under Section 73 of the Companies Act to receive money from the Escrow Accounts and the ASBA Accounts on the Designated Date.
Public Issue Account Banks	The banks which are clearing members and registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 with whom the Public Issue Account(s) will be opened and in this case being [●].
"QFIs" or "Qualified Foreign Investors"	Non-resident investors, other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs, who meet 'know your client' requirements prescribed by SEBI and are resident in a country which is (i) a member of Financial Action Task Force or a member of a group which is a member of Financial Action Task Force; and (ii) a signatory to the International Organization of Securities Commission's Multilateral Memorandum of Understanding or a signatory of a bilateral memorandum of understanding with SEBI. Provided that such non-resident investor shall not be resident in a country which is listed in the public statements issued by Financial Action Task Force from time to time on: (i) jurisdictions having a strategic anti-money laundering/combating the financing of terrorism deficiencies to which counter measures apply; and (ii) jurisdictions that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the Financial Action Task Force to address the deficiencies.
"QIBs" or "Qualified Institutional Buyers"	Public financial institutions as defined in Section 4A of the Companies Act, FIIs and Sub-Accounts (other than Sub-Accounts which are foreign corporates or foreign individuals) registered with SEBI, VCFs, FVCIs, Mutual Funds, multilateral and bilateral financial institutions, scheduled commercial banks, state industrial development corporations, insurance companies registered with the IRDA, provident funds and pension funds with a minimum corpus of ₹ 250 Million, the NIF, set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; insurance funds set up and managed by the army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, Government of India, eligible for Bidding.
QIB Bid/Issue Closing Date	In the event our Company, in consultation with the BRLMs, decides to close Bidding by QIBs one Working Day prior to the Bid/Issue Closing Date, the date one Working Day prior to the Bid/Issue Closing Date; otherwise it shall be the same as the Bid/Issue Closing Date.
QIB Portion	The portion of the Issue being 50% of the Net Issue or [●] Equity Shares available for allocation to QIBs (including Anchor Investors) on a proportionate basis.
"Red Herring	The red herring prospectus issued by our Company in accordance with Sections 56, 60 and

Term	Description
Prospectus" or "RHP"	60B of the Companies Act and the SEBI ICDR Regulations, which does not contain, *inter-alia*, complete particulars of the price at which Equity Shares are offered.
Refund Account(s)	The account(s) opened by our Company with the Refund Bank(s), from which refunds of the whole or part of the Payment Amount (excluding the ASBA Bidders), if any, shall be made.
Refund Bank(s)	The banks which are clearing members and registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 with whom the Refund Account(s) will be opened, in this case being [●].
Registered Broker(s)	Broker(s) registered with the stock exchanges having its office at any of the Registered Broker Centres and shall not include Syndicate and sub-Syndicate members.
Registered Broker Centres	Broker centres as notified by the Stock Exchanges, where Bidders can submit the Bid-cum-Application Forms to a Registered Broker. The details of such broker centres are available on the websites of BSE and NSE at http://www.bseindia.com/ and http://www.nseindia.com/, respectively.
"Registrar" or "Registrar to the Issue"	Link Intime India Private Limited
Retail Individual Bidders	Individual Bidders (including HUFs and Eligible NRIs), other than Eligible Employees submitting Bids under the Employee Reservation Portion, who have not Bid for a Payment Amount more than ₹ 200,000.
Retail Portion	The portion of the Issue being not less than 35% of the Net Issue, consisting of [●] Equity Shares, available for allocation to Retail Individual Bidders.
Revision Form	The form used by the Bidders, to modify the quantity of Equity Shares or the Payment Amount in any of their Bid-cum-Application Forms or any previous Revision Form(s), as applicable.
SBI Caps	SBI Capital Markets Limited.
"Self Certified Syndicate Banks" or "SCSBs"	The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is available on the SEBI website at the link http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries, and at such other websites as may be prescribed by SEBI from time to time. For details of the Designated Branches with which ASBA Forms can be physically submitted, please refer to the above-mentioned link.
Stock Exchanges	The BSE and the NSE.
Syndicate	The BRLMs and the Syndicate Members.
Syndicate Agreement	The agreement dated [●] between our Company and members of the Syndicate, in relation to the collection of Bids (excluding Bids from ASBA Bidders procured directly by SCSBs).
Syndicate ASBA	A Bid submitted by an ASBA Bidder through the members of the Syndicate or their respective sub-Syndicate members at the Syndicate ASBA Centres instead of the Designated Branches.
Syndicate ASBA Centres	The bidding centres of the members of the Syndicate or their respective sub Syndicate located at the locations of the Registered Brokers and such other centres as may be prescribed by SEBI from time to time, wherein, pursuant to the SEBI circular dated January 23, 2013 bearing no. CIR/CFD/DIL/4/2013, ASBA Bidders are permitted to submit their Bids in physical form.
Syndicate Members	[●].
"Transaction Registration Slip" or "TRS"	The slip or document issued by any member of the Syndicate, the SCSBs or the Registered Brokers, as the case may be, to a Bidder upon demand as proof of registration of the Bid.
Underwriters	The BRLMs and the Syndicate Members.
Underwriting Agreement	The agreement to be entered into between the Underwriters and our Company on or immediately after the Pricing Date.
Working Days	Any day other than Saturday or Sunday on which commercial banks in Mumbai are open

Term	Description
	for business, provided however, for the purposes of the time period between Bid/Issue Closing Date and listing, "Working Days" shall mean all days other than Sundays and bank holidays, in accordance with the SEBI circular dated April 22, 2010.

INDUSTRY RELATED TERMS

Abbreviation	Full Form
CAGR	Compounded Annual Growth Rate
DNA	Deoxyribonucleic acid
EISA	Energy Independence and Security Act of 2007
FDA	Food and Drug Administration
GDP	Gross Domestic Product
LSDs	Lysosomal Storage Disorders
MVA	Manufacturing Value Added
NSP	Non-starch polysaccharide
PPP	Purchasing Power Parity
RNA	Ribonucleic acid
WTO	World Trade Organization

ABBREVIATIONS

Abbreviation	Full Form
AGM	Annual General Meeting
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
BRLM	Book Running Lead Manager
BSE	Bombay Stock Exchange Limited
CAGR	Compound Annual Growth Rate
CAN	Confirmation of Allocation Note
CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax
CIN	Corporate Identification Number
DB	Designated Branch
DIN	Director's Identification Number
DP	Depository Participant
DP ID	Depository Participant's Identification Number
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting of the shareholders
EPS	Earnings per Equity Share
FCNR Account	Foreign Currency Non Resident Account
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time and the rules and regulations issued thereunder
FBT	Fringe Benefit Tax
FDI	Foreign Direct Investment
FII	Foreign Institutional Investor [as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time] registered with SEBI under applicable laws in India
FIPB	Foreign Investment Promotion Board
FIs	Financial Institutions
FVCI	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000
FY	Financial Year

Abbreviation	Full Form
GAAP	Generally Accepted Accounting Principles
GBS	Gross Budgetary Support
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
GoI / Government	Government of India
HNI	High Net Worth Individual
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IMF	International Monetary Fund
INR	Indian National Rupee
IPO	Initial Public Offering
IT Act	Income Tax Act, 1961, as amended
Ltd.	Limited
MAPIN	Market Participant and Investor Database
Merchant Banker	Merchant banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulation, 1992
M&A	Mergers & Acquisitions
MM	Milli Metre
NEFT	National Electronic Fund Transfer
NS-EW	North South – East West
NR	Non-Resident
NRE Account	Non Resident (External) Account
NRI	Non-Resident Indian
NRO Account	Non Resident (Ordinary) Account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB	Overseas Corporate Body
P/E Ratio	Price / Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
RBI	The Reserve Bank of India
RoNW	Return on Net Worth
R&D	Research & Development
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SCSB	Self Certified Syndicate Bank
STT	Securities Transaction Tax
SME	Small and Medium Enterprises
SPV	Special Purpose Vehicle
TAN	Tax Deduction Account Number
TIN	Taxpayers Identification Number
TRS	Transaction Registration Slip
UoI	Union of India
WDV	Written Down Value
w.e.f.	With effect from
YoY	Year on Year

SECTION II – GENERAL

USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

Currency of Presentation

In this Draft Red Herring Prospectus, unless the context otherwise requires, all references to "Rupees" "₹" and "Rs." in this DRHP are to the legal currency of India. All references to "US$", "USD" or "US Dollars" are to United States Dollars, the official currency of the United States of America. All references to "HKD" are to Hongkong Dollars, the official currency of Hongkong. All references to "Euro" or "€"are to Euros, the official currency of the European Union.

The exchange rates referred to for the purpose of conversion of foreign currency amounts into Rupee amounts, in the sections titled "Risk Factors", "Objects of the Issue" and "History and Certain Corporate Matters", Our Subsidiaries" have been taken are as follows:

USD

	6 months ended September, 2012	Financial Year ended				
		2012	2011	2010	2009	2008
Closing	52.70	51.16	44.65	45.14	50.95	39.97
Average	54.74	47.95	45.58	47.42	45.91	40.24
High	57.22	54.24	47.57	50.53	52.06	43.15
Low	50.56	43.95	44.03	44.94	39.89	39.27

Source: rbi.org.in

Euro

	6 months ended September, 2012	Financial Year ended				
		2012	2011	2010	2009	2008
Closing	68.15	68.34	63.24	60.56	67.48	63.09
Average	69.24	65.90	60.21	67.08	65.14	56.99
High	71.62	71.08	63.98	71.06	69.17	64.48
Low	67.01	62.26	56.07	60.52	60.57	54.32

Source: rbi.org.in

Hong Kong Dollars

	6 months ended September, 2012	Financial Year ended				
		2012	2011	2010	2009	2008
Closing	6.81	6.71	5.83	5.80	6.73	5.13
Average	7.07	6.22	5.90	6.15	5.93	5.17
High	6.64	5.69	5.69	5.79	5.12	5.04
Low	7.42	7.10	6.13	6.68	6.93	5.56

Source: oanda.com

Financial Data

Unless stated otherwise, the financial information in this Draft Red Herring Prospectus is derived from our audited and restated standalone financial statements as of and for the Financial Years ended March 31, 2008, 2009, 2010, 2011 and 2012 and 6 months ended September 2012, and our audited and restated consolidated financial statements as of and for the Financial Years ended March 31, 2008, 2009, 2010, 2011 and 2012 and the 6 months ended September 30, 2012 and the related notes, schedules and annexures thereto included elsewhere in this Draft Red Herring Prospectus, which have been prepared in accordance with the Companies Act and Indian GAAP and restated in accordance with the SEBI Regulations.

Our Financial Year commences on April 1 and ends on March 31 of the ensuing calendar year. Unless stated otherwise, references herein to a Financial Year (e.g., Financial Year 2009), are to the Financial Year ended March 31 of that particular year.

All references to the word "Lakh" or "Lacs", means "One hundred thousand" and the word "Million" means "Ten Lac" and the word "Crore" means "Ten Million" In this DRHP, any discrepancies in any table between total and the sum of the amounts listed are due to rounding off.

Throughout this DRHP, all the figures have been expressed in Million of Rupees, or in whole numbers, unless stated otherwise.

There are significant differences between Indian GAAP and U.S. GAAP; accordingly, the degree to which the Indian GAAP financial statements included in the Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices, Indian GAAP, Companies Act and SEBI (ICDR) Regulations, 2009, and any amendments thereof. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Draft Red Herring Prospectus should accordingly be limited. Our Company has not attempted to explain these differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on financial data.

Market and Industry Data

Market and industry data used in this Draft Red Herring Prospectus has generally been obtained or derived from industry publications and sources. These publications typically state that the information contained therein has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be made based on such information. Although we believe that industry data and forecasts used in this Draft Red Herring Prospectus are reliable, they have not been verified and the underlying assumptions relied upon have not been ascertained. Similarly, we believe that the internal company reports are reliable; however, they have not been verified by any independent sources.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different industry sources.

FORWARD LOOKING STATEMENTS

We have included statements in the Draft Red Herring Prospectus which contain words or phrases such as “will”, “aim”, “is likely to result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward-looking statements”.

Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- Disruption in operations of our foreign subsidiaries;
- Reduction in demand for our products;
- Foreign exchange fluctuations;
- Competition in our industry;
- Changes in laws, regulations and taxes; and
- Our inability to retain our management team and skilled personnel.

*For a further discussion of factors that could cause our actual results to differ, please refer Section titled “Risk Factors” beginning on page 14 of the Draft Red Herring Prospectus, and Chapters titled “Business Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 187 and 374**,** respectively of this DRHP*. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company, the Selling Shareholders nor the BRLMs, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company, the Selling Shareholders and the BRLMs will ensure that investors in India are informed of material developments until the time of grant of listing and trading permissions by the Stock Exchanges.

SECTION III- RISK FACTORS

An investment in Equity Shares involves a high degree of financial risk. You should carefully consider all information in this DRHP, including the risks described below, before making an investment in our Equity Shares. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, as well as the other risks and uncertainties discussed in this DRHP, could have a material adverse effect on our business and could cause the trading price of our Equity Shares to decline and you may lose all or part of your investment. In addition, the risks set out in this DRHP are not exhaustive. Additional risks and uncertainties, whether known or unknown, may in the future have material adverse effect on our business, financial condition and results of operations, or which we currently deem immaterial, may arise or become material in the future. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other risks mentioned herein.

This DRHP also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including events described below and elsewhere in this DHRP. Unless otherwise stated, the financial information used in this section is derived from and should be read in conjunction with restated financial statements of our Company as of and for the Fiscals 2008, 2009, 2010, 2011, 2012 and for the six months ending September 30, 2012 in each case prepared in accordance with Indian GAAP, including the schedules, annexure and notes thereto.

Materiality

The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality.

1. *Some events may not be material individually but may be found material collectively.*

2. *Some events may have material impact qualitatively instead of quantitatively.*

3. *Some events may not be material at present but may be having material impacts in future.*

INTERNAL RISK FACTORS

1. ***Our Company, our Group Company, our Promoters and our Directors are parties to certain legal proceedings. Any adverse decision in such proceedings may have financial implications on the business and financial condition of our Company.***

   There are certain legal proceedings pending for and against our Company, our Group Companies, our Promoters and our Directors. These proceedings are pending at different levels of adjudication before various tribunals and enquiry / adjudication officers. Some of the matters are at the stage of legal notices being exchanged and are yet to take the shape of a legal proceeding. The amounts claimed in these proceedings have been disclosed to the extent ascertainable. In addition, further liability may arise out of these claims. We cannot provide assurance that these legal proceedings will be decided in our favor. Any adverse outcome in the aforesaid proceedings could have an adverse effect on the business and the financial condition of our Company. Brief details of such outstanding litigation as of the date of the Draft Red Herring Prospectus are as follows: -

Proceedings against the Company/Promoters/Directors/Group Companies: -

Sr. No.	Nature of Cases		No. of outstanding cases	Amount involved (in ₹)*
(I) Proceedings involving the Company				
1.	**Civil**	Labour disputes against the Company	1	--
2.		IPR related disputes against the Company	13	--
3.	**Tax**	Income Tax	6	23,33,307/-
4.		Central Excise	1	3,12,809/-
5.	**Legal Notices received by the Company**	Recovery of money	1	18,41,580/-
6.	**Notice received by the Company**	Notice sent by RoC	1	Not ascertainable
(II) Proceedings involving Promoters/Directors				
7.	**Civil**	Labour disputes against the Promoters	1	--
(III) Proceedings involving the Group Companies				
8.	**Civil**	Trademark related disputes against the Advanved Vital Enzymes Limited	4	--
9.		Labour disputes against the Advanced Vital Enzymes Limited	1	--
10.		Civil Cuit filed for recovery of money against Advanced Vital Enzymes Limited	1	17,00,000

Proceedings filed by the Company/Group Companies: -

Sr. No.	Nature of Cases		No. of outstanding cases	Amount involved (in ₹)*
(I) Proceedings involving the Company				
1.	**Civil**	Summary Suits filed by the Company	12	19,96,778/-
2.		Consumer disputes filed by the Company	1	4, 22,711/-†
3.		IPR related disputes filed by the Company	2	--

* *This is only an approximate amount. It does not include interest on the sums demanded and those prayers for which the sums demanded have not been quantified in the plaint.*

† Exchange Rate: I USD = Rs.55

4.	**Criminal**	Complaints filed by the Company	3	15,06,604/-
5.	**Legal notices sent by the Company**	Recovery of money	1	54,563/-
(II) Proceedings involving the Group Companies				
6.	**Civil**	Trademark related disputes filed by Group Companies	1	--

For details, please see the Chapter on "Outstanding Litigations, Material Developments and Other Disclosures" on page 410 of this DRHP.

2. ***Our Company is dependant on its foreign subsidiaries in North America and Europe for the purpose of marketing of our products in those regions. North America and Europe form 53 % of our total sales. If there is any disruption in operations of these foreign subsidiaries, our business may get affected.***

   Our Company is dependant on its foreign subsidiaries in the regions of North America and Europe for the purposes of marketing its products. Further, in Fiscal 2012, the North American and the European market account for about 53 % of our total sales. In the event, there are any disruptions in the operations of our foreign subsidiaries or if any of its key managerial personnel disassociate themselves from these subsidiaries and if consequently, their business is affected, our business operations and the cash flows shall also be severly affected.

3. ***Our top five products accounts for approximately 33.46% of our total sales in the Fiscal 2012. Any reduction in demand for these products could adversely affect our business and financial condition.***

   We are dependent on a few products for a significant portion of our revenues. Any reduction in the demand of these products could adversely affect our revenues and profitability. Further, although, we belive that the aforesaid products are unique and their Intellectual Property is adequately protected, introduction of similar products by competitors in future could be adverse to the interests of the Company and affect our business and financial condition.

4. ***In the past, there have been instances where our Company's drug licence for our manufacturing plant at Sinnar had been suspended for a certain period and its operations had halted. If such instances re-occur in future, we may face similar consequences, which may adversely affect our business operations.***

   In the year 2006, an order was passed against our Company by the Deputy Commissioner, Nashik Division (Food and Drugs Administration Department) for contravention of the provisions of Drugs and Cosmetic Act, 1940 pursuant to which the drug licence for our manufacturing plant at Sinnar was suspended for a period of 15 days from June 26, 2006 to July 10, 2006. Further, in the year 2011, another order was passed by the same authority suspending the aforesaid licence for a period of 3 days from March 9, 2011 to March 11, 2011. Due to such suspension, our Company's operations in the aforesaid unit had to be halted and the same had adversely affected our business operations. Altought, we believe that, currently, we are in due compliance with the Drugs and Cosmetics Act, 1940, it cannot be assured that we will not be served with such notices/orders in future and if it entails halting our manufacturing operations, it may adversely affect our business operations and financial position.

5. ***Intellectual property rights are important to our business. Since our business is based on evolving innovative and unique methods and using the same for providing enzyme products and solutions, it is very important for us to ensure confidentiality of our intellectual property rights. We may be unable to protect them from being infringed by others, including our current or future competitors/employees.***

All our patents, trademarks and copyrights are our material assets and are crucial to our business operations. Since the business of our Company is based on continuous evolving of innovative and unique methods for providing our enzyme-based products and solutions, it is very critical for us to ensure confidentiality of same with respect to our employees who have access to such information. Further, we have to be very cautious with respect to the same and ensure that the same does not fall in the hands of the competitors or any person who would give access to such competitors. We depend on a combination of copyright, trademark laws and confidentiality agreements with our employees and third parties to protect our intellectual property rights. In terms of such confidentiality agreements, our key employees are required to acknowledge and recognize that all inventions and other processes made by them during their employment are our property. We believe that that our systems are adequate to protect the confidential information. Even with such precautions, we cannot assure that our data or proprietary technology will not be copied or obtained by third parties. In the event, any of the employees, during or after their association with our Company, disclose the crucial information of the patents and other methods to our competitors, directly or indirectly, our Company may have to resort to litigation or other proceedings to enforce, protect or determine the validity and scope of our intellectual property rights and to defend against third party infringements, which may be expensive and resource-consuming and might create uncertainty as to the ownership of such rights. If we are unable to protect our IPR with respect to our business, our ability to compete effectively will be impaired, which will result in our business, financial condition and results of operations being materially and adversely affected. For more details in our IPR, please see section *"Business Overview"* on page 187 of the DRHP.

6. ***Our wholly owned subsidiary namely Advanced Enzymes USA has acquired Advanced Supplementary Technologies Corporation ("AST") from Mr. Vasant Laxminarayan Rathi and others and purchase consideration for the said stocks is not fully paid. In the event, the balance purchase consideration is not paid, the sellers may invoke the pledge created on the shares of AST held by the Company.***

   By a Stock Purchase Agreement October 31, 2012, Advanced Enzymes USA, our wholly-owned subsidiary acquired stocks of Advanced Supplementary Technologies Corporation, respectively from our Promoter and Promoter Group member namely Mr. Vasant Laxminarayan Rathi, Ms. Rachana Rathi, Ms. Rasika Rathi and Ms. Reshma Rathi ("**Purchasers**") for a consideration partly paid in cash and partly under purchaser notes. Advanced Enzymes USA has issued promissory notes aggregating to USD 1.1 Million in favour of the Purchasers. Further, Advanced Enzymes USA has also pledged its shares in Advanced Supplementary Technologies Corporation with Purchasers as security for payments to be made under the aforesaid purchaser notes. Therefore, in the event of default under the said purchaser notes, the Purchasers may invoke the pledge and sell the shares held by Advanced Enzymes USA in Advanced Supplementary Technologies Corporation and recover their dues, which may lead to de-subsidiarisation our step down subsidiary namely Advanced Supplementary Technologies Corporation and which may in turn adversely affect our business, financial conditions and furture prospects. For further information, please see the section "*History and Certain Corporate Matters*" on page 215 of this DRHP.

7. ***Our wholly owned subsidiary namely Advanced Enzymes USA has acquired Cal India Food International from Mr. Vasant Laxminarayan Rathi and others. For payment of consideration, Advanced Enzymes USA has obtained certain loans and pledged its holding in Cal India with the lenders. In the event, it defaults in repayment of the aforesaid loans, they may invoke the pledge.***

   By a Stock Purchase Agreement April 11, 2011, Advanced Enzymes USA, our wholly-owned subsidiary acquired the outstanding stocks of Cal India, from Mr. Vasant Laxminarayan Rathi, Ms. Rachana Rathi, Ms. Rasika Rathi and Ms. Reshma Rathi ("**Purchasers**"). The consideration for the aforesaid acquisition was paid by Advanced Enzymes USA by borrowing USD 20 Million from Rathi Property LLC and Mr. Vasant Laxminarayan Rathi ("**Lenders**"). Further, Advanced Enzymes USA has also pledged its shares in Cal India with the Lenders as security for repayment of the aforesaid loans under the Promissory Notes dated December 13, 2012 granted by Advanced Enzymes USA to the Lenders. Therefore, in the event of default of repayment of the aforesaid loan to the Lenders, the Lenders may invoke the pledge and sell the shares held by Advanced Enzymes USA in Cal India and recover their dues, which may lead to de-subsidiarising Cal India. This may in turn adversely affect our business, financial conditions and furture prospects. For further information, please see the section "*History and Certain Corporate Matters*" on page 215 of this DRHP.

8. ***We derive a significant portion of our revenues from exports and accordingly face exchange rate risks.***

We generate a significant portion of our revenues from USA and other European countries, and a significant portion of our expenses are incurred in Rupees. In Fiscal 2012, about 62.14% of our Company's revenue was from international businesses and our major expenses were in Indian rupees. While depreciation of the Rupee against the U.S. Dollar and other foreign currencies increases the Rupee value of such revenues, an appreciation of the Rupee, particularly with respect to the U.S. Dollar, decreases the Rupee value of our revenues. Therefore, in the event there is sustained appreciation in the Rupee, our revenues in Rupee terms will be adversely affected although there may not be a fall in sales in actual terms. Further, we only hedge a part of our net foreign exchange position and hence any significant fluctuation in exchange rates may adversely affect our business, financial condition and results of operations.

9. ***We do not enter into definitive purchase agreements with our raw material suppliers or our customers.***

Generally, we do not enter into any firm/definite arrangements with our raw material suppliers and our customers. Therefore, there are no fixed terms and conditions on which we purchase raw materials and sell our products. It cannot be assured that we will be offered the best terms by our suppliers as and when we place orders with them. Further, since we do not have definite arrangements with our customers, it cannot be assured that we would receive repeat orders from our customers. In the event we cannot negotiate best terms from our raw material suppliers or that we are unable to procure repeat orders from our customers, the same may affect our business operations and our financial position.

10. ***Our Promoter Group entity/Group Company being Advanced Vital Enzymes Limited and our Subsidiaries have objects similar to that of our Company's business and this could lead to a potential conflict of interest.***

One of our Promoter Group entity/Group Company being Advanced Vital Enzymes Limited and our Subsidiaries, have some of the objects similar to that of our Company's business. Some of our directors are on the board of directors of the aforesaid entities and have equity interest or investments in such entities. As a result, a conflict of interest may arise in addressing business opportunities, strategies, implementing new plans and affixing priorities. Our Promoter, Mr Chandrakant Rathi and our Company have entered into a Non-compete Agreement dated March 16, 2013 with the aforesaid Advanced Vital Enzymes Limited inorder to avoid the conflict of interest evisaged above.

11. ***If we do not successfully commercialise our products, or if the commercialization is delayed, our business and the results of operations may be adversely affected.***

For our products to contribute to our revenues, we need to successfully commercialise and market them. Once a product is developed by our R&D units, it needs to be timely commercialised for it to contribute to the revenue of the Company. We believe that we have been able to successfully commercialise our products without any undue delay in the past. Over the years, we have successfully developed and commercialized 55 enzymes. However, it cannot be assured that we will be able to do so in the future also. In the event, we do not successfully commercialise our products or if our commercialisation is unduly delayed for any reason whatsoever, it may affect our business operations and growth prospects.

12. ***Incase of any defect in our products, we could become liable to customers and incur substantial costs which in turn could adversely affect the value of our brand, and our sales could diminish if we are subjected to any negative publicity.***

We believe that we have been able to maintain quality standards for our products and that there have been no major defects in our products in the past. However, in the event of any major defects in our products in future, we could be made liable to the customers and may incur substantial costs in damages, which would adversely affect our financial condition. Further, any such event may adversely affect the value of our brand and our sales due to negative publicity.

13. ***We may not be able to correctly assess the demand for our products, which may adversely affect our business, financial condition and results of operations.***

We believe that in the past, we have been able to correctly assess the demand for our products in the market. Further, we also believe that we have been able to maintain adequate inventory levels and that we have been able to deliver the products in the market as per the prevailing demand. However, it cannot be assured that we will be able to correctly assess the demand for our products in future. In such an event, we may experience high inventory levels, thus disturbing our working capital cycle. This may adversely affect out financial condition. Further, in the event, we donot maintain adequate inventory levels, we will not be able to cater to the prevailing demand in the market and thus, it will affect our growth and revenues.

14. ***Our business is research-driven which is dynamic and ever changing and we may not be able to adapt to such changes and maintain our growth in face of the competitive environment that we currently operate in.***

Our Company is a research driven company. Our business model is based on continuous evolution of innovative and customised enzyme-based products and solutions for our clients. Our field involves specialised research and development and manufacturing of various types of enzymes and enzyme-based solutions. For such R&D, we require specific skill sets. In the event, the employees in such R&D units disassociate themselves with our Company and if we are not be able to find personnel with the requisite skill sets, we may not be able to carry out the R&D activities with required expertise, which may affect our operations directly. Further, the field of R&D is a very dynamic and ever changing and we may fail to adapt to such changes. Although our Promoters and the key managerial personnel have considerable knowledge in R&D, we cannot assure if they can manage to keep up with the pace of constant changes and diversification. Further, since we operate in a highly competitive environment, it cannot be assured that we will be able to keep pace with our competitors in terms of investments in R&D, expansion, acquisitions for inorganic growth, etc. If we cannot keep pace with our competitors or continuously develop new products, our business and financial conditions may be adversely affected.

15. ***We operate in a competitive business environment, both globally and domestically. Competition from existing players and new entrants and consequent pricing pressures may adversely affect our business, financial condition and results of operations.***

We operate in a competitive business environment. Growing competition in the domestic and/or the international markets may subject us to pricing pressures and require us to reduce the prices of our products in order to retain or attract customers, which may have a material adverse effect on our revenues and margins. While we are focused on research and development to develop cost and time efficiencies and to broaden our product range, in the event our competitors develop better process technology or improved process yield or are able to source raw materials at competitive prices, and are therefore able to create new products or substitutes for our products at competitive prices, we may not be able to maintain our growth rate and revenues and our profitability may decline. We presently compete with various companies, including Novozymes A/S, Danisco, DSM Nutritional Products. *For more information concerning our competition, please see the section "Business Overview" on page 187 of this DRHP*. Some of our competitors may be increasing their capacities and targeting the same products as us. There can be no assurance that we can continue to effectively compete with our competitors in the future, and failure to compete effectively may have an adverse effect on our business, financial condition and results of operations.

16. ***Our success depends largely upon the services of our Promoters and other key managerial personnel and our ability to attract and retain them and our inability to attract them may affect the operations of our Company.***

Our Promoters Mr. Chandrakant Laxminarayan Rathi and Mr. Vasant Laxminarayan Rathi are the co-founders of our Company. Our Promoters, alongwith the key managerial personnel, have over the years built relations with suppliers, customers and other persons who are connected with our Company. Accordingly, the company's performance is majorly dependent upon the services of our Promoters and other key managerial personnel. Our future performance will depend upon the continued services of these persons. Demand for key managerial personnel in our business is intense and our inability to attract and retain key managerial personnel may affect the operations of our Company. Further, since the demand for the key managerial personnel is very robust, inorder to retain them, our Company may be required to offer them higher compensation packages by way of higher pay, more perquisites and stock options. This may adversely affect our profitability and also lead to dilution of the equity share capital of the Company.

17. ***Our revenues and profits are dependent on several factors. Any adverse change in these factors or in combination of these factors may affect our business operations and the financial condition and consequently, our ability to pay dividends.***

Our revenues and profts are dependent on several factors such as our retaining key managerial personnel, our complying with laws, recurring orders from our clients, managing costs and expenses, maintaining adequate inventory levels, etc. the extent to which performance milestones have been achieved and general market conditions. Any adverse change in these factors or a combination of these factors may adversely affect our business operations and the financial condition. Further, although we have consistently paid dividends in the past, our ability to pay dividends will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures, lender's approvals and other factors. Therefore, although, we have been regularly declaring dividends in the past and have consistently maintained the profit levels and reserves, there can be no assurance that we shall have distributable funds or that we will declare dividends.

18. ***Delays or defaults in client payments could result in a reduction of our profits.***

We regularly commit resources to orders/assignments prior to receiving advances or other payments from clients. We may be subject to working capital shortages due to delays or defaults in client payments. If clients default in their payments on a project to which we have devoted significant resources or if an order/assignment in which we invested significant resources is delayed, cancelled or curtailed, it could have a material adverse effect on our business, financial condition and results of operations.

19. ***Any adverse events in the end use industries which we cater to could have a material impact on the performance of our Company.***

We cater primarily to the pharmaceutical Industry and food which are highly regulated. Any change in government policy or introduction of new legislation or amendment to the existing regulation or any adverse event as a result of which our customers are adversely affected will have a material adverse impact on our sales.

20. ***We rely extensively on our systems, including quality assurance systems and products processing systems to maintain the quality of our products. Any failure to use the same could adversely affect our business, financial condition and results of operations.***

We believe that over a period of 20 years, we have developed adequate and stringent quality assurance systems and products processing systems in our manufacturing units and our R&D units. However, any failure of such systems or any failure on the part of our personnel in correctly implementing these systems would adversely affect our output and inturn may affect our business operations and financial conditions. Further, it may also lead to negative publicity for our Company if the quality of our products is compromised due to the aforesaid reasons.

21. ***We are receiving certain tax benefits, which may not be available to us in the future. Loss of these tax benefits in the future may result in a decrease in our margins, which could in turn have a material adverse effect on our business, financial condition and results of operations.***

One of our manufacturing facilities is located in Indore Special Economic Zone, which entitles us to certain income tax benefits. We are currently eligible for these tax benefits up to assessment year 2015 - 2016. Loss of any of the existing tax benefits in the future may result in a decrease in our margins, which could in turn result in a material adverse effect on our business, financial condition and results of operations. For details of the tax benefits available to us, please see the section "*Statement of Tax Benefits*" on page 137 of this DRHP.

22. ***We have not made firm arrangements for procurement/order placement of equipment worth ₹ 811.68 Million (being 100% of the equipment cost) and 40.58 % of the total fresh issue proceeds for our planned expansion at Indore, establishment of Research and Development centre at Sinnar (Nashik), Establishment of Research & Development and Innovation Centre at Thane and setting up of manufacturing and R&D***

unit in Chino, California, USA. Any delay in placing the orders or delay at the suppliers' end may result in time and cost overrun.

While, we have received estimates/quotations for the equipment, we would be placing orders for the equipment at an appropriate time, as the same are available at reasonably short notice. The purchase of equipment would require us to consider factors including but not limited to pricing, delivery schedule and after-sales maintenance. There may also be a possibility of delay at the suppliers' end in providing timely delivery of these equipments, which in turn may delay the implementation of the aforementioned projects. Further, we cannot assure you that the purchase of the equipment would occur at the estimated price only considering the volatile inflation scenario in India. In addition to the above, since we plan to purchase some of the equipments from outside India, it cannot be assured that we will be able to procure them at the best available exchange rates and that if we don't hedge our exchange risks, we may be exposed to adverse movements in the exchange rates from the date of placing of the order till the date of delivery and actual payment. This may adversely affect our budgeted allocations as well as our financial position.

23. ***We intend to utilize ₹ 210 Million of the Net Proceeds towards investing in our foreign Subsidiary being Advanced Enzymes USA. In the event, we are not in a position to comply with the relevant FEMA regulations, we will be required to obtain the permission of RBI.***

We intend to utlise ₹ 210 Million of the Net Proceeds towards investing in our foreign Subsidiary being Advanced Enzymes USA. For such an investment, we will be required to comply with the conditions mentioned in the Foreign Exchange Management (Transfer or Issue of Foreign Security) Regulations, 2004. In the event, we are not able to comply with these conditions, we will be required to obtain the permission of RBI for making the aforesaid investment. Such permission may not be granted by RBI or if granted, it may be granted on terms that may be unviable for us. In such an event, we may not be able to proceed with the investment contemplated above.

24. ***We have not, as of the date of this Draft Red Herring Prospectus, entered into any definitive agreements for the land on which we propose to set-up new R&D centres and consolidate our existing R&D centres or obtained various approvals required for the facilities.***

We plan to utilise ₹ 298 million of the Net Proceeds for purchase of land for construction of an R&D facility at Sinnar, Maharashtra and purchase of new premises for consolidation of our R&D units at Thane, Maharashtra. For use of Proceeds, see "*Objects of the Issue*" on page 117 of this DRHP. While, we have received estimates / quotations for the land to be acquired, we have not entered into any definitive agreements for the purchase of the land. We may not be able to acquire the shortlisted premises due to its unavailability. Furthermore, we have not, as of the date of this DRHP, applied for any approvals/licenses for setting up of the aforesaid units. There can be no assurance that these approvals will be obtained within the scheduled time anticipated by us, or at all. Any delay or inability in obtaining these approvals could have a material adverse effect on our ability to set up the aforesaid units as planned, and therefore, our financial condition and business prospects.

25. ***As the specific acquisition targets have not been finalised, the fund deployment in this regard is uncertain.***

Our Company intends to use part of the proceeds amounting to ₹ 100 Million out of the Net Proceeds for acquisitions as described in the section titled "*Objects of the Issue*" on page 117 of this DRHP. However, we have not yet entered into any definitive agreements to utilize the funds allocated for making acquisitions. There can be no assurance that we will be able to conclude definitive agreements for such expenditures on terms anticipated by us. As on the date of this DRHP, we have not yet finalised any specific acquisition targets, although we are in discussions and negotiations with few of them. Pending utilization for the purpose described above, the funds shall be utilized as described in the section titled "*Objects of the Issue*" on page 117 of this DRHP.

26. ***Our expansion plans are subject to the risk of cost and time overrun, which may have a material adverse effect on our business, results of operations and financial condition.***

During the setting up our manufacturing plant at Pithampur, Indore, our Company had scheduled to finish the construction of our plant and commence operations by July, 2011, however, due to logistical backlogs, the plant commenced in September, 2012. Due the aforesaid delay, our company also incurred minor cost over-run of ₹ 28.5 Million. Similarly, our expansion plans as enumerated in the "*Objects of the Issue*" may be subject to delays and other risks, including, among other things, contractor performance shortfalls, unforeseen engineering or technical problems, delays in procuring equipments, disputes with workers, force majeure events, unanticipated cost increases or changes in scope and delays in obtaining certain property rights and government approvals and consents, any of which could result in delays, cost overruns or the termination of the Project and/or a breach of the financial covenants imposed by our lenders. While we may seek to minimize the risks from any unanticipated events, it cannot be assured that all potential delays can be mitigated and that we will be able to prevent any cost over-runs and any loss of profits resulting from such delays, shortfalls and disruptions.

27. ***The acquisition of other companies, businesses or technologies in the future could result in operating difficulties, integration issues and other adverse consequences.***

As on the date of this DRHP, as a group, we have experienced only organic growth, which signifies expansion of our Company from its own (internally generated) resources, without resorting to acquisitions of other firms/companies/brands outside the group. We have not acquired any firms/companies/brands other than our *erstwhile* group companies being Cal India Foods International (Specialty Enzymes and Biochemicals Company) and Advanced Supplementary Technologies Corporation. However, as part of our growth strategy, we intend to pursue acquisitions to expand our business. There can be no assurance that we will be able to identify suitable acquisition targets or strategic investment at acceptable cost and on commercially reasonable terms, obtain the finance, if required, to complete and support such acquisitions or investments, integrate such businesses or investments or that any business acquired or investment made will be profitable. Any future acquisitions may result in integration issues and employee retention problems. We may not be able to realize the benefits we might anticipate from any such acquisitions.

If we attempt to acquire foreign companies, we may not be able to satisfy certain Indian regulatory requirements for such acquisitions and may need prior approval from the RBI which we may not obtain or even if we obtain the same may be subject to conditions, which may make such acquisitions unviable for us. Further, foreign acquisitions also involve risks related to integration of operations across different cultures and languages, currency risks and the particular economic, political and regulatory risks associated with doing business in other countries. Any failure to achieve successful integration of such acquisitions or investments could have an adverse effect on our business, results of operations or financial condition.

28. ***The schedule of implementation may be delayed and as a result thereof, we may face operational delays. This may have an adverse effect on our business operations and our return on investments.***

The proposed schedule of implementation of the Project may be delayed on account of several factors, such as contractor performance shortfalls, unforeseen engineering or technical problems, delays in procuring equipment, force majeure events, unanticipated cost increases or changes in scope and delays in obtaining certain property rights and government approvals and consents, any of which could give rise to delays, cost overruns or the termination of the Project. While we may seek to minimize the risks from any unanticipated events, we cannot ensure that all potential delays/problems can be mitigated and that we will be able to prevent any cost over-runs and any reduction in profits resulting from such delays, shortfalls and disruptions. Further, in the event our management feels that the market conditions are not favourable to enable us to proceed with the implementation of the Project or our management feels that the implementation can be delayed inorder to take advantage of better market conditions in future, our management may take the decision of delaying the Project for such time as it may deem fit and reasonable.

29. ***The objects of the Issue for which funds are being raised have not been appraised by any bank or financial institution. The deployment of funds in the project is entirely at our discretion and as per the details mentioned in the section titled "Objects of the Issue". Any revision in the estimates may require us to reschedule our projected expenditure and may have a bearing on our expected revenues and earnings.***

Our funding requirements and the deployment of the Net Proceeds are based on management estimates and quotes obtained from suppliers, contractors, agents but the same have not been appraised by any bank or financial institution. These estimates and quotes are based on current market conditions and are subject to change in light of dynamic external circumstances. It cannot be assured that these estimates and quotes are accurate and that their will be no cost over-run. Hence, we may have to revise our management estimates and obtain revised quotes from time to time and consequently our funding requirements may also change. Our estimates for the Project may exceed the value that would have been determined by third party appraisals and may require us to reschedule our projected expenditure, which may have a bearing on our expected revenues and earnings. Further, if the actual expenditure for the "*Objects of the Issue*" exceeds the estimated expenditure, we may be required to raise additional debt, on terms that may not be totally favourable to our Company, which may in turn affect our profitability. Further, the deployment of the funds towards the "*Objects of the Issue*" is entirely at the discretion of our Board of Directors and is not subject to monitoring by external independent agency. However, the deployment of funds is subject to monitoring by our audit committee.

30. There have been some instances of delays/non-filings in the past with certain statutory authorities. If the authorities impose monetary penalties on us or require us to undertake certain punitive actions, our business, financial condition and results of operations could be adversely affected.

We are required to comply with certain periodic filings as prescribed under the Companies Act, 1956 and other enactments with various statutory authorities. There have been some instances of delays/non-filings in respect of some of these. Till date, there has been no significant amount of penalty levied on the Company for such delays/defaults. However, it cannot be assured that even in future no such penalty will be levied. Therefore, if the authorities impose heavy monetary penalties on us or require us to undertake certain punitive actions, our business, financial condition and results of operations could be adversely affected.

31. Our Company, its Promoters and others have entered into a Share Subscription and Shareholders Agreement dated June 22, 2012 with Kotak India Venture Fund I, Kotak India Employees Trust and Kotak India Venture (Offshore) Fund consisting of certain affirmative rights and covenants, and failure or delay in obtaining their consents could adversely affect our business and operations. These rights would cease to be exercisable by the Investor on successfully completion of this Issue.

Our Company, its Promoters and others have entered into a Share Subscription and Shareholders Agreement dated 22nd June, 2012 ("Agreement") with Kotak India Venture Fund I ("Investor - I"), Kotak Employees Investment Trust and Kotak India Venture (Offshore) Fund ("Investors"). Under the said Agreement, the Investor-I is entitled to certain affirmative rights and covenants which require our Company to obtain their prior approval, *inter alia*, for issue/allotment of further shares, amendment/modification of the Memorandum and Articles of Association and infusion of fresh equity in subsidiaries. Further, the said Agreement also contains certain other restrictive provisions with respect to the Company and its Promoters. Failure or delay in obtaining such consents can have significant consequences on our capacity to expand and therefore adversely affect our business and operations. However, in terms of the Agreement, these rights shall terminate on successful completion of this Issue.

32. Our Company is in use and occupation of the premises land bearing Plot No. H-17 in Nasik Industrial Area, within the village limits of Satpur, District Nasik. However, no lease has been executed for the same.

A land bearing Plot No. H-17 in Nasik Industrial Area, within the village limits of Satpur, District Nasik ("**SORL Land**") was licensed to the *erstwhile* Messrs Super Organic Research Laboratories ("**SORL**") by Maharashtra Industrial Development Corporation ("**MIDC**") under a License Agreement dated February 7, 1989 ("**License Agreement**"). Further, since the business and assets of SORL were taken over by the Company in the year 1994, the SORL Land is currently occupied and used by our Company. In terms of the License Agreement, the SORL Land was licensed to SORL for a period of 2 years and the same was required to be developed and subsequently, a lease was to be granted to SORL by MIDC. However, no such lease has been granted, although the development on the SORL Land under the License Agreement has been duly completed and the manufacturing unit on the same is operative. The Company has been regularly paying the applicable rent to MIDC, which MIDC has been duly accepting. Till date of this DRHP, the Company has not received any default notice or communication raising any sort of objection from MIDC pertaining to the SORL Land. However, it cannot be assured that there will be no objection raised by MIDC in future. Further, in the event, we receive any default notice from MIDC, we may be required to pay penalty demanded or even vacate the SORL Land, in which case our business and financial condition may be adversely affected.

33. Our Company has entered into an Agreement for Sale, which has not been duly registered. Therefore, the same may not be enforceable in the court of law.

Our Company has entered into an Agreement for Sale dated February 17, 2011 with Sri Sumeru Realty Private Limited for Premises bearing No. D -106, 1st Floor, "D" Block, Soudhamini Residential Complex, Soudhamini Estate, Udayapura, Bangalore – 560 082 ("**Sumeru Premises**"). The aforesaid Agreement for Sale has not been duly registered. The Sumeru Premises are being used for residence of the Directors/employees of the Company. Since the aforesaid Agreement for Sale pertaining to the Sumeru Premises is not duly registered, the same may not be enforceable in the court of law in terms of the Indian Registration Act, 1908.

34. We have obtained certain insurance policies solely in the name of our Company instead of obtaining the same in the names of certain parties as co-payees.

Our Company has executed lease deeds dated May 26, 1994 and January 12, 2007 executed with Maharashtra Industrial Development Corporation ("**MIDC**") for taking on lease the Land bearing Plot No. A-61/A-62 in the Sinnar Industrial Area, Nashik. One of the provisions of the aforesaid agreements is that the Company was required to keep the aforesaid land and the building duly insured with the joint names of the Company and MIDC. The insurance policies obtained by us are solely in the name of our Company and therefore, we may be in breach of the aforesaid lease deeds. However, till date, we have not received any default notice from MIDC regarding the same.

35. Our insurance cover may be inadequate to fully protect us from all losses and may inturn adversely affect our financial condition.

We maintain such insurance coverage as we believe is adequate to cover the important assets of the Company. Our insurance policies, however, may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. Further, with respect to the insurance coverage maintained by us, we cannot assure you that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims, or that the insurer will not disclaim future coverage. Further, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time. To the extent that we suffer loss or damage that is not covered by insurance or which exceeds our insurance coverage, our results of operations or cash flows may be affected.

36. If we are not able to obtain, renew or maintain our statutory and regulatory registrations and approvals required to operate our business, it may have a material adverse effect on our business.

We require certain statutory and regulatory registrations and approvals to operate our business. In the future, we will be required to renew such registrations and approvals and obtain new registrations and approvals for any proposed operations, including any expansion of existing operations. While we believe that we will be able to renew or obtain such registrations and approvals as and when required, there can be no assurance that the relevant authorities will renew or issue any such registrations or approvals in the time-frame anticipated by us or at all. If we are unable to renew, maintain or obtain the required registrations or approvals, it may result in the interruption of our operations and may have a material adverse effect on our revenues and operations. Further, our Company has not obtained certain consents and approvals for certain units. If we are unable to procure the same in future, heavy penalties may be imposed on our Company and it may also result in the interruption of our operations.

37. We have certain contingent liabilities and capital commitments and no provision has been made in the books of accounts of our Company. Crystallization of any of these liabilities could affect our financial condition.

Our contingent liabilities on a consolidated basis as of September 30, 2012 are mentioned in the following table:

(₹ In Million)

Particulars	As at	As at March 31,

	September 30, 2012	2012	2011	2010	2009	2008
Claims against the company not acknowledged as debt						
Legal cases	3.05	3.15	3.26	10.94	10.91	0.84
Other money for which the company is contingently liable	-	-	3.76	7.99	7.16	-
Estimated amount of contracts remaining to be executed on capital account and not provided for	11.92	6.02	102.04	11.76	0.73	2.99
Total Contingent Liabilities	**14.97**	**9.17**	**109.06**	**30.69**	**18.80**	**3.83**

38. Our Promoter, Mr. Chandrakant Laxminarayan Rathi has given personal guarantee in relation to certain debt facilities obtained by us. In the event, he withdraws/terminates his personal guarantee, we may be required to provide other adequate security.

Our Promoter, Mr. Chandrakant Laxminarayan Rathi has given personal guarantees in relation to the secured debt facilities obtained by us. Although, since Mr. Chandrakant Laxminarayan Rathi is integral to the operations of our Company and we believe that he shall not withdraw or terminate his personal guarantees, in the event he does withdraw or terminate his personal guarantees with respect to any facility, the lender(s) may ask for alternate guarantees, repayment of amounts outstanding under such facility, or even terminate such facility. We may not be successful in procuring alternate guarantees satisfactory to the lender(s) and as a result may need to repay outstanding amounts under such facility or seek additional sources of capital, which could adversely affect our financial condition. For more information please see the section titled "*Financial Indebtedness*" appearing on page 403 of this DRHP.

39. Our loan agreements have several restrictive covenants and certain unconditional rights in favour of the lenders, which could influence our ability to expand, in turn affecting our business and results of operations.

As on September 30, 2012 we have availed an aggregate of ₹ 322.66 Million as secured terms loans from IndusInd Bank, Citibank, HDFC Bank, Yes Bank and DBS Bank. The credit facilities availed by our Company are secured by way of mortgage of fixed assets, hypothecation of current assets both present and future and personal guarantees given by our Promoter, Mr. Chandrakant Laxminarayan Rathi. In case we are not able to pay our dues in time, the same may amount to a default under the loan documentation and all the penal and termination provisions therein would get triggered and the loans granted to the Company may be recalled with penal interest. This could severely affect our operations and financial condition. In addition to the above, our loan documentation includes certain conditions and covenants that require us to obtain consents from the aforesaid banks prior to carrying out certain activities like payment of dividend, changing the capital structure, etc. Failure or delay in obtaining such consents can have significant consequences on our capacity to expand and therefore adversely affect our business and operations. It cannot be assured that we have requested or received all consents that are required under our loan documents. As a result, it may be possible that lending banks could assert that we have not complied with all terms under our existing loan documents. Any failure to comply with the requirement to obtain a consent, or other condition or covenant under our financing agreements that is not waived by the lending banks or is not otherwise cured by us, may lead to a termination of our credit facilities, acceleration of all amounts due under the said credit facility and may adversely affect our ability to conduct our business and operations or implement our business plans. Further, the said credit facilities can be renewed/enhanced/cancelled/suspended/reduced and the terms and conditions of the same can be altered by the lending banks, at their discretion. In the event the lending banks refuse to renew/enhance the credit facilities and/or cancels/suspends/reduces the said credit facilities and/or alters the terms and conditions to the derogation of our Company, our existing operations as well as proposed expansion may be severely affected. Consequently, it would have a significant bearing on the financial condition of the Company.

40. ***Our Company had entered into a license agreement for its land at Jalna, Maharashtra with Maharashtra Industrial Development Corporation ("MIDC"), under which the Company was required to complete the development within a stipulated period, which was extended on payment of additional premium. In the event, we cannot complete the development within the extended period, we may be required to pay further premium to MIDC for extension of time.***

    Our Company has entered into a license agreement dated August 30, 2007 with MIDC pertaining to Plot No. BT – 32 in the Additional Jalna Phase – II (BT Park) Industrial Area ("**License Agreement**"). In terms of the said License Agreement, the Company was required to complete the development of the aforesaid land within a period of 3 years from the date of the license. Further, once such development was complete to the satisfaction of the MIDC, MIDC would execute a lease agreement with the Company for the aforesaid land. However, the aforesaid period of 3 years has expired and the development is still under progress and therefore, no lease has been granted by MIDC to our Company, which may affect our financial conditions.

    By a letter dated October 21, 2011, MIDC has granted extension to the Company till November 25, 2013 for carrying out development of the aforesaid land, against payment of a sum of ₹ 61,76,600/- (Rupees Sixty One Lac Seventy Six Thousand and Six Hundred only) by way of additional premium. We believe that we shall be able to complete development of the aforesaid land by November 25, 2013. However, in the event we are unable to complete the same, for any reason whatsoever, we may be required to pay further premium to MIDC for extension of the aforesaid license.

41. ***Our manufacturing facilities are geographically located in the State of Maharashtra, Madhya Pradesh and in the state of California in USA. Any social unrest or natural disaster or breakdown of services and utilities in Maharashtra, Madhya Pradesh and California, USA could have material adverse effect on our business and financial condition.***

    Since our manufacturing and R&D facilities are located geographically in the State of Maharashtra, Madhya Pradesh and in the State of California in USA, any social unrest, a force majeure event, any breakdown in infrastructure and utilities, any labour unrest, etc. in the aforesaid states may affect the proper functioning of our manufacturing facilities and R&D and therefore, inturn affect our business operations and financial conditions.

42. ***Our business are subject to a variety of safety, health and environmental laws and various labour, workplace related laws and regulations. Any failure on our part to comply with these applicable laws and regulations could have an adverse effect on our operations and financial condition.***

    Our Company is subject to various central, state and local environmental and safety laws, concerning issues such as harm caused by air or wastewater emission and contamination. While we believe that our facilities are currently in compliance in all material respects with applicable environmental laws and regulations, additional costs and liabilities related to compliance with these laws and regulations are an inherent part of our business. Further, while we believe we are currently in complaince with applicable environmental legislation and regulatory requirements, any changes in the applicable laws and regulations in the future may create substantial environmental compliance or remediation liabilities and costs, including monetary fines, criminal penalties on our Company's officers for violation of applicable laws, or imposition of restrictions on our Company's operations (which may include temporary suspension or closure of its operations). We may also, in the future, become involved in legal or regulatory proceedings, in relation to which we may be required to comply with more rigorous environmental or safety standards, or to incur significant capital and operating expenses and/or remedial costs. These factors may adversely affect our revenues and operations.

    Since we need labour to run our manufacturing units, our Company is subject to variety of workplace related laws and regulations. We are required to maintain records and also file periodic returns. Although, we believe that we have complied with all the applicable laws and regulations, in the event of any breach of such laws and regulations, we may be made subject to penal consequences which would adversely affect our operations and financial condition.

43. ***We have issued Equity Shares during the last one-year at a price that may be below the Issue Price.***

We have in the last twelve months prior to filing this DRHP, issued Equity Shares at a price that could be lower than the Issue Price. The price at which the Equity Shares have been issued in the last one year is neither indicative of the price at which they will be issued or traded nor does it indicate the current valuation of the Company or the group. Following are the details of the Equity Shares issued in the last one year that may be below the Issue Price:

Name of the Shareholder	Date of Issue	Whether belongs to Promoter Group	Number of Equity Shares	Face Value (in ₹)	Issue Price (in ₹)	Reasons for the Issue
Kotak Mahindra Trusteeship Services Limited A/c Kotak India Venture Fund I	30th July, 2012	No	6,79,900	10	290	Private Equity Investment
Mr. Jaimin Bhatt as the Trustee of Kotak Employees Investment Trust	30th July, 2012	No	17,900	10	290	Private Equity Investment
Kotak India Venture (Offshore) Fund	30th November, 2012	No	3,36,600	10	290	Private Equity Investment

44. ***Two of our Group Companies have incurred losses in one of the pervious three years. Sustained financial losses by our Group Companies may not be perceived positively by external parties such as customers, bankers, suppliers etc., which may affect our market perception, credibility and consequently, business operations.***

The following Group Companies have incurred losses in one of the previous three years:

(₹ In Million)

Name of the Company	FY 2010	FY 2011	FY 2012
Atharva Capital Ventures Private Limited	--	(0.297)	--
Advanced Vital Enzymes Limited	--	(37.986)	--

If our Group Companies keep incurring sustained losses in the future, the same may not be perceived positively by third parties including customers, suppliers, lenders, investors, etc., which may not augur well for the Company and which may eventually affect the business and profitability of the Company and the group.

45. ***Some of the properties occupied by us are not owned including the land on which our manufacturing facilities at Sinnar, Maharashtra and Indore, Madhya Pradesh, and our blending facility and R&D unit at Chino, California are located. If we are required to vacate the same, due to any reason whatsoever, it may adversely affect our business operations.***

Our Company operates its manufacturing units and R&D units on properties that are not owned by the Company. Our Company has been occupying such premises on leasehold and license basis. Although, we believe that we have complied with all the terms of such leases and licenses, in the event there is any breach or violation of the same, we may be required to vacate the same. Further, in any event, on expiry of such leases and licenses, if the respective owners are not willing to renew the same, the aforesaid properties may have to be vacated and we may be required to look for alternate premises, which we may not be able to find. Further, even if we do find the same, it may not be at terms favourable to our Company. In such an event, it will adversely affect our business operations and our financial condition.

46. ***Our Company has unsecured loans, which are repayable on demand. Any demand from lenders for repayment of such unsecured loans, may adversely affect our business operations and financial condition of our Company.***

As on September 30, 2012, our Company has availed of long-term unsecured loans aggregating to ₹ 15.01 Million from our Promoter/ Promoter Group and subsidiaries which are repayable on demand. Any demand from the lenders for repayment of such unsecured loans, the cash outgo may adversely affect the financial condition and result of operations of our Company. For further details of these unsecured loans, please refer to the Section titled "*Financial Indebtedness*" on page no. 403 of this DRHP.

47. ***Our Promoters will continue to retain majority control over the Company after the Issue, which will allow them to influence the outcome of matters submitted to shareholders for approval.***

Upon completion of the Issue, our Promoters, alongwith the Promoter Group entities, will own [•] % of the post-Issue Equity Share capital of the Company. As a result, the Promoters will have the ability to exercise significant influence over all matters requiring shareholders' approval, including the election of Directors and approval of significant corporate transactions. The Promoters will also have an effective veto power with respect to any shareholder action or approval requiring a majority vote. Such concentration of ownership may also have the effect of delaying, preventing or deterring a change in control.

48. ***Our Company has in the past entered into related party transactions and may continue to do so in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our Company's financial condition and results of operations.***

Our Company has entered into transactions with its Promoters, Promoter Group, Directors, Subsidiaries and Group Companies. Whilst, it is believed that all such transactions have been conducted on an arms-length basis and contain commercial terms, there can be no assurance that our Company could not have achieved more favourable terms had such transactions not been entered into with related parties. For instance, one such transaction was the purchases of premises at Dhanlaxmi Industrial Estate by the Company from Mr. Vasant Laxminarayan Rathi, Mrs. Prabha Rathi and Mr. Chandrakant Laxminarayan Rathi (Promoters and Promoter group members) in September 2004 for a total consideration of ₹ 9.07 million. Similar to this transaction, it is likely that our Company may enter into related party transactions in the future. *For further details, please see the Chapter on "Business Overview" on page 187 of this DRHP*.

49. ***Certain Promoters, Directors and key management personnel have interests in the Company other than the reimbursement of expenses and normal remuneration or benefits. Any such interests may result in a conflict of interest, which may have an adverse effect on our business.***

Both our Promoters and some of our Directors being Mr. Pradip Bhailal Shah, Mr. Mukund M. Kabra, Mrs. Savita C. Rathi and Mr. Ramesh Mehta hold certain Equity Shares in our Company and may be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares. Further, by a Stock Purchase Agreement dated October 31, 2012 executed between Advanced Enzymes USA and our Promoter, Mr. Vasant Laxminarayan Rathi and others, Advanced Enzymes USA, our wholly-owned subsidiary acquired all the outstanding stocks of Advanced Supplementary Technologies Corporation from Mr. Vasant Laxminarayan Rathi and others. Advanced Enzymes USA is still required to pay certain amount of balance consideration to Mr. Vasant Laxminarayan Rathi under the aforesaid agreement. Therefore, such interest may conflict with their duties as Promoters/Directors of the Company. For further details, please see the sections "*Our Management*", on page 226 of this DRHP.

50. ***We may face difficulties in executing our strategies including our expansion and diversification plans of entering new geographies, new product/product line.***

We may face difficulties in executing our strategies including our expansion and diversification plans of entering into new geographies and new products/product line due to various factors such as entry barriers in new geographies, stringent rules and regulations, fierce competition in the new markets, amateur markets, inadequency of funds with the Company for expansion, high cost of debt that may be required for expansion and diversification, etc. Implementation of our strategies may pose significant challenges to our administrative, financial and operational resources and additional risks, including some of which we may not be specifically aware of. If we are unable to successfully implement some or all of our key strategic initiatives in an effective and timely manner, it may have an adverse effect on our future business prospects. For further details, please see the Chapter on "*Business Overview*" on page No. 187 of this DRHP.

51. Mishaps or accidents could result in a loss or slowdown in operations and could also cause damage to life and property.

Our manufacturing units are subject to operating risks, including but not limited to, breakdown or accidents and mishaps. While, till date, there have not been any incidents involving mishaps or major accidents, it cannot be assured that these may not occur in the future. Further, we believe that we have obtained adequate insurance to mitigate these risks, any consequential losses arising due to such events will affect our operations and financial condition.

EXTERNAL RISK FACTORS

52. Our Company may engage in future acquisitions, investments, strategic partnerships or other ventures that may harm its performance or change its business strategy.

Our Company's growth strategy may involve acquiring or making investments in similar or related businesses, subsidiaries, technologies, or products, or entering into strategic partnerships with parties who can provide access to new markets and new products however, the same may pose management and integration challenges. These acquisitions may not necessarily contribute to our profitability, may require us to assume high level of debt or liabilities. Further, we may experience difficulties in integrating the operations and cultures, which may lead to lower synergies and efficiencies. In the past, our Company has relied on expanding some of its service offerings and gaining new clients through strategic acquisitions. It is possible that in the future our Company may not succeed in acquiring suitable entities on reasonable terms or have difficulty in accessing the capital required to finance potential acquisitions or be able to consummate any acquisition. In such a case, our company's future growth prospects, especially through the inorganic route, may be adversely impacted.

53. We may require further equity issuances to satisfy our capital needs, which we may not be able to procure.

We may need to raise additional capital from time to time, dependent on business requirements. Some of the factors that may require us to raise additional capital include (i) business growth beyond what the current balance sheet can sustain, (ii) additional capital requirements imposed due to changes in regulatory regime or new guidelines, and (iii) significant depletion in our existing capital base due to unusual operating losses. We may not be able to raise such additional capital at the time it is needed or on terms and conditions favourable to us or to the existing shareholders.

54. Any future issuance of Equity Shares may dilute your shareholding and sales of our Equity Shares by our Promoter or other major shareholders may adversely affect the trading price of the Equity Shares.

Any future equity issuances by us, including in a primary offering, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our Promoter or other major shareholders may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

55. There is no existing market for our Equity Shares and we cannot assure you that such a market will develop. The stock price may be volatile, and you may be unable to resell your shares at or above the Issue Price or at all.

Prior to this Issue, there has been no public market for our Equity Shares, and an active trading market may not develop or be sustained upon the completion of this Issue. The Issue Price of the Equity Shares offered hereby may not be indicative of the market price of the Equity Shares after this Issue. The market price of our Equity Shares after this Issue will be subject to significant fluctuations in response to among other factors:

- variations in our operating results and the performance of our business;
- regulatory developments in our target markets affecting us, our customers or our competitors;
- changes in financial estimates by securities research analysts;
- addition or loss of executive officers or key employees;
- loss of one or more significant customers;
- the performance of the Indian and global economy;
- significant developments in India's economic liberalization and deregulation policies, and the fiscal regime; and
- volatility in the Indian and global securities markets.

Many of these factors are beyond our control. There has been recent volatility in the Indian stock markets and our share price could fluctuate significantly as a result of such volatility in the future.

56. ***The Issue price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue and the market price of our Equity Shares may decline below the Issue Price and you may not be able to sell your Equity Shares at or above the Issue Price.***

The Issue Price of our Equity Shares will be determined on the basis of the Book Building Process. This price will be based on numerous factors (For *further information please refer the Chapter titled "Basis for Issue Price" beginning on page 135 of the Draft Red Herring Prospectus.*) and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Amongst the factors that could affect our share price are:

- quarterly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;
- changes in revenue or earnings estimates or publication of research reports by analysts;
- speculation in the press or investment community;
- general market conditions; and
- changes in economic, legal and regulatory factors (both domestic and international) unrelated to our performance such as global recession, imposition of trade / non trade barriers and sanctions etc.

57. ***There are, and will continue to remain, restrictions on daily movements in the price of Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, our Equity Shares at a particular point in time.***

The price of our Equity Shares could be subject to a daily circuit breaker imposed by all stock exchanges in India which does not allow transactions beyond a certain level of volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by the SEBI on Indian stock exchanges. The percentage limit on our circuit breaker is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges do not inform us of the percentage limit of the circuit breaker from time to time, and may change it without our knowledge. This circuit breaker effectively limits upward and downward movements in the price of the Equity Shares. As a result, shareholders' ability to sell the Equity Shares, or the price at which they can sell the Equity Shares, may be adversely affected at a particular point in time.

58. ***You will not be able to immediately sell any of our Equity Shares purchased through this Issue on Stock Exchanges until the receipt of appropriate trading approvals from Stock Exchanges.***

Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. We cannot assure you that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the stipulated time period. Any failure or delay in obtaining the approvals would restrict your ability to dispose of your Equity Shares.

59. ***You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Capital gains arising from the sale of shares and debentures are generally taxable in India. Any gain realised on the sale of shares and debentures on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the securities transaction tax, or STT, has been paid on the transaction. The STT will be levied on and collected by an Indian stock exchange on which shares or debentures are sold. Any gain realised on the sale of shares and/or held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and as a result of which no STT has been paid, will be subject to capital gains tax in India. Further, any gain realised on the sale of shares and/or debentures held for a period of 12 months or less will be subject to capital gains tax in India. Capital gains arising from the sale of shares and/or debentures will be exempt from taxation in India in cases where an exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of the shares and/or debentures, as the case may be.

60. ***Conditions in the Indian securities market may affect the price or liquidity of the Equity Shares.***

Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. These exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of our Equity Shares could be adversely affected.

61. ***Political instability and significant changes in the Government's policy on liberalisation of the Indian economy could impact our Company's financial results and prospects.***

The role of the Indian central and state governments in the Indian economy and their effect on producers, consumers and regulators has remained significant over the years. Since 1991, successive governments of India have pursued policies of economic liberalisation, including insignificantly relaxing restrictions on the private sector. However, there is no assurance that these liberalisation policies and the political stability will continue in the future. The rate of economic liberalisation could change, and laws and policies affecting the automotive component manufacturers, foreign investment and other matters affecting investment in our Company's securities could change as well. Any significant change in liberalisation and deregulation policies could adversely affect business and economic conditions in India generally and our Company's business and results of operations and the market for the Equity Shares in particular.

62. ***Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our Company's business.***

India has witnessed localised civil disturbances in recent years and any future civil unrest or other acts of violence or war may adversely affect the global equity markets and economic growth. These acts may result in a loss of business confidence, make travel, transport, communications and other services more difficult and have other consequences that may have an adverse effect on our Company's business, results of operations and financial condition. Any deterioration in international relations may result in investor concern regarding regional stability, which could adversely affect the market for the Equity Shares.

63. **A slowdown in economic growth in India could cause our business to suffer.**

Our performance and the quality and growth of our business are necessarily dependent on the health of the overall Indian economy. The Indian economy has grown significantly over the past few years. However, there have been periods of slowdown in economic growth during the 1990s. In the past, such economic slowdowns have affected manufacturing industries. India's economy could be adversely affected by a general rise in interest rates, inflation, natural calamities, such as earthquakes, tsunamis, floods and drought, increases in commodity and energy prices, and protectionist efforts in other countries or various other factors. In addition, the Indian economy is in a state of transition. It is difficult to gauge the impact of these fundamental economic changes on our business. Any future slowdown in the Indian economy could harm us and our customers.

64. Natural calamities may have a negative impact on the Indian economy and harm our Company's business.

India has experienced natural calamities in recent years, including earthquakes, floods, drought and a tsunami. The severity and duration of these natural disasters or abnormal weather conditions determines their impact on the Indian economy. Such natural calamities may have an adverse impact on the Indian economy, which could in turn adversely affect our Company's business and the market for the Equity Shares.

Prominent Notes:

- The investors may contact the BRLMs for any complaint pertaining to the Issue.

- Public Issue of [●] Equity Shares of ₹ 10/- each for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating upto [●] consisting of a Fresh Issue of [●] Equity Shares aggregating to ₹ 2,000 million and an Offer for Sale upto 37,00,000 Equity Shares by the Selling Shareholders aggregating up to ₹ [●] Million. The Issue comprises a Net Issue to the public of [●] Equity Shares and Employee Reservation Portion of 1,00,000 Equity Shares. The Net Issue will constitute 25% of the fully diluted Post-Issue Paid up Capital of our Company. Discount of ₹ [●] per Equity Share to the Issue Price may be offered to Eligible Employees bidding in the Employee Reservation Portion.

- Our Company's consolidated net worth as on September 30, 2012 was ₹ 1,401.01 Million.

- Based on our restated consolidated financial statements, the net asset value per equity share having a face value of ₹ 10/- each was ₹ 65.38 as of September 30, 2012.

- The average cost of acquisition per Equity Share by our Promoters is as follows:

Sr. No.	Name of Promoter	Cost of Acquisition (in ₹)
1.	Mr. Chandrakant Laxminarayan Rathi	2.50
2.	Mr. Vasant Laxminarayan Rathi	6.05

For details of the transactions between our Company and our Group Companies, see section titled "Auditors' Report and Financial Statements" on page 257 of this DRHP.

- Any clarification or information relating to the Issue shall be made available by the BRLMs and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever. For any clarification or information relating to the Issue, investors may contact the BRLMs, who will be obliged to provide such clarification or information to the investors.

- Our Company was originally incorporated on March 15, 1989 under the provisions of the Companies Act, 1956 as Advanced Biochemicals Private Limited in Maharashtra. Pursuant to a special resolution passed by the shareholders of our Company at the extra-ordinary general meeting held on April 21, 1992 our Company was converted into a public limited company and consequently the name of our Company was changed to Advanced Biochemicals Limited. A fresh certificate of incorporation reflecting the new name was issued by the Registrar of Companies, Maharashtra on May 28, 1992. Pursuant to a special resolution passed by the shareholders of our Company at the extra-ordinary general meeting held on August 8, 2005 name of our Company was further changed from Advanced Biochemicals Limited to Advanced Enzyme Technologies Limited. A fresh certificate of incorporation reflecting the new name was issued by the Registrar of Companies, Maharashtra on August 19, 2005. *For details in change of registered office please see the section titled "History and Certain Corporate Matters" on page no. 215 of this DRHP*.

- For details of transactions in the securities of our Company by our Promoter, Promoter Group, Directors of our Company and their relatives in the last six months, see the notes to the chapter "Capital Structure" on page no. 74 of this DRHP.

- During the period of 6 (six) months immediately preceding the date of filing of this Draft Red Herring Prospectus with SEBI, no financing arrangements existed whereby the Promoter Group, our Promoters, our Directors and their relatives may have financed the purchase of Equity Shares by any other person, other than in the normal course of the business of such financing entity.

- Other than as disclosed in the Chapter on "*Our Promoters, Promoter Group and Group Companies*" on page 246 of this DRHP and in the notes on related party transactions in "*Financial Statements*" on page no. 257 of this DRHP, our Group Companies have no financial or other interest in our Company.

SECTION IV – INTRODUCTION

SUMMARY OF INDUSTRY

Introduction to Enzymes

Enzymes are natural protein molecules produced by all living organisms, functioning as highly specialized catalysts for accelerating the pace of chemical reactions, that is, they help a chemical reaction take place quickly and efficiently, without undergoing change themselves. Enzymes are responsible for many essential biochemical reactions and metabolic processes in microorganisms, plants, animals, and human beings, but are not alive. Enzymes are highly efficient in increasing the reaction rate of biochemical processes that otherwise proceed very slowly, or in some cases, not at all, and are also biodegradable.

Enzymes are produced and harvested from living organisms such as plants, animals, bacteria and fungi. Enzymes are presently employed in a diverse array of applications that range from the manipulation of DNA in biotechnology research, to improving the softness of fabrics in the textile industry. Based on the usage of the enzymes, the global enzyme market can be broadly classified into two segments, namely Industrial and Specialty. The Industrial enzymes are used in high volume and low value-added applications, whereas Specialty enzymes are used in low volume and high value-added applications. The Industrial enzyme markets include food and beverages, cleaning products (detergents), biofuel production, animal feed, textiles, leather, pulp and paper, starch processing, etc. The specialty enzyme markets include pharmaceutical, research and biotechnology, diagnostics and biocatalysts.

Segment-wise distribution of the Global Enzyme Market

The global enzyme demand has increased at 8.5% annual pace from $3.8 billion in 2005 to $5.8 billion in 2010, helped in large part by the rapid increase in global energy prices, which made enzyme-related processes and products more cost effective, and facilitated the legislation of a rapid expansion of the fuel ethanol market, particularly in the United States. Additionally, the expanding middle class population in the rapidly growing developing countries contributed to robust gains in food and beverage enzymes, and the quick adoption of several enzyme-containing pharmaceuticals also supported growth. Industrial enzymes constituted the larger portion of global enzyme demand aggregating to ~$3.3 billion, or ~58.2% in 2010, with the rest ~41.8% being contributed by Specialty enzymes.

Going forward, the global enzyme demand is expected to experience broad-based growth led by strong demand across all enzyme types, with market growing by 6.8% every year to $8.0 billion in 2015 from $5.8 billion in 2010. The market is further expected to grow at a 5-year CAGR of 7.1% after 2015, reaching a size of $11.3 billion by 2020. Through this period, the growth in the global enzyme demand is expected to be led by strong gains in the diagnostic and research & biotechnology enzymes, expanded access to medical care in developing countries, and the advent of health care reforms in the United States. On the industrial enzymes front, the animal feed and food & beverage enzymes will also experience above-average growth in demand benefitting from the expansion of the middle class population in rapidly developing economies, which will fuel increased meat consumption and adoption of more western-style diets.

The following table represents the key segments across Industrial and Specialty Enzymes, and the expected enzyme demand over the next few years.

WORLD ENZYME DEMAND BY MARKET (in USD million)					
Market / Year	**2000**	**2005**	**2010**	**2015**	**2020**
Industrial Enzymes:					
Food & Beverage	520	760	1,220	1,770	2,520
Cleaning Product	530	650	840	1,080	1,370
Biofuel Production	72	166	500	615	900
Animal Feed	115	268	365	545	820
Other Industrial	373	376	420	480	670
Total Industrial Enzymes	**1,610**	**2,220**	**3,345**	**4,490**	**6,280**
% of Industrial Enzymes to Total Enzyme Demand	**61.3%**	**58.0%**	**58.2%**	**56.3%**	**55.8%**
Specialty Enzymes:					
Pharmaceutical	455	795	1,200	1,640	2,180
Research & Biotechnology	332	470	695	1,060	1,600
Diagnostic	172	240	350	560	840
Biocatalyst	56	105	160	230	350
Total Specialty Enzymes	**1,015**	**1,610**	**2,405**	**3,490**	**4,970**
% of Specialty Enzymes to Total Enzyme Demand	**38.7%**	**42.0%**	**41.8%**	**43.7%**	**44.2%**
World Enzyme Demand (Industrial and Specialty)	**2,625**	**3,830**	**5,750**	**7,980**	**11,250**

As can be seen from the above table, the share of Industrial Enzymes is expected to gradually reduce from ~58.2% in 2010 to ~56.3% in 2015 to ~55.8% in 2020, while the share of Specialty Enzymes is expected to gradually increase from ~41.8% in 2010 to ~43.7% in 2015 to ~44.2% in 2020, on account of the relatively stronger potential growth of Specialty Enzymes over the next few years.

Geographical distribution of the Global Enzyme Market

North America dominates the global enzyme market with a market size of $2.6 billion, accounting for ~45.3% of the global enzyme demand in 2010. Western Europe, Asia Pacific and other regional markets (which include Central & South America, Eastern Europe and Africa / Mideast) accounted for 21.2%, 18.8% and 14.7% of the Global Enzyme market in 2010. Between 2000 and 2010, the share of North America and Western Europe in the Global enzyme market has been gradually declining, while that of Asia Pacific and other regional markets including Central & South America, Eastern Europe and Africa / Mideast has been on an upswing, mainly on account of the relatively superior growth witnessed by these regions, and the greater maturity of the North American and West European markets. This trend is expected to continue going forward, with Asia Pacific becoming the second largest enzyme market by 2015, and further outpacing Western Europe by 2020.

However, even by 2020, North America shall continue to be the largest regional market, accounting for ~40.5% of the global enzyme demand, with the Asia Pacific region, Western Europe and other regional markets accounting for ~23.2%, ~18.8% and ~17.4% of the market size respectively. During this period, the Central and South American markets are expected to experience the fastest growth in enzyme demand, followed by the Africa / Mideast and the Asia Pacific regions. Demand for enzymes in the Eastern Europe is also expected to be above average.

WORLD ENZYME DEMAND BY REGION (in USD million)					
Region / Year	**2000**	**2005**	**2010**	**2015**	**2020**
North America	1,270	1,750	2,605	3,405	4,560
Western Europe	645	900	1,220	1,615	2,120
Asia/Pacific	410	665	1,080	1,670	2,610
Other Regions:	300	515	845	1,290	1,960
- Central & South America	113	178	325	515	795
- Eastern Europe	93	165	250	355	510
- Africa/Mideast	94	172	270	420	655
World Enzyme Demand	**2,625**	**3,830**	**5,750**	**7,980**	**11,250**

As can be seen from the above, Asia-Pacific shall become the second largest regional enzyme market going forward, growing at a 10-year CAGR of 9.2% between 2010 and 2020, next only to the Central & South American, and African / Mideast markets which are expected to record a CAGR of 9.4% and 9.3% respectively during the same period. The same is also reflected below, where these markets are expected to capture a much larger share of the incremental enzyme demand between 2010 – 2015 and 2015 – 2020, thereby reflecting in their overall increased market shares by 2020.

<u>Global Industrial Enzymes market</u>

Industrial enzymes constitute the larger portion of the world enzyme demand accounting for ~$3.3 billion, or ~58.2% in 2010. The global demand for industrial enzymes is expected to expand 6.1% y-o-y to $4.5 billion in 2015. The market is further expected to grow at a 5-year CAGR of 6.9% after 2015, reaching a size of $6.3 billion by 2020. The strongest demand for industrial enzymes shall be experienced in the sub-segments of food and beverages and animal feed.

On a regional basis, Asia Pacific, Central & South America and Africa / Mideast will achieve the fastest growth for Industrial enzymes, going forward till 2020. These areas have generally not experienced the same degree of enzyme technology penetration as is found in North America and Europe, and consequently will realize stronger growth as continued industrialization and rising per capita incomes favor greater enzyme consumption.

The following table represents the key sub-segments across Industrial Enzymes and their expected growth rates across various geographies over the next few years.

WORLD INDUSTRIAL ENZYME DEMAND BY MARKET & REGION (in USD million)					
Item / Year	**2000**	**2005**	**2010**	**2015**	**2020**
By Market:					
I) Food & Beverage	520	760	1,220	1,770	2,520
II) Cleaning Product	530	650	840	1080	1,370
III) Biofuel Production	72	166	500	615	900
IV) Animal Feed	115	268	365	545	820
V) Other Markets	373	376	420	480	670
By Region:					
North America	700	875	1,335	1,600	2,060
Western Europe	405	520	655	820	1,030
Asia / Pacific	270	435	719	1,107	1,750
Other Regions:	235	390	636	963	1,440
- Central & South America	90	143	263	415	635

- Eastern Europe	70	122	183	253	350
- Africa/Mideast	75	125	190	295	455
World Industrial Enzyme Demand	**1,610**	**2,220**	**3,345**	**4,490**	**6,280**
World Enzyme Demand	**2,625**	**3,830**	**5,750**	**7,980**	**11,250**
Industrial Enzymes %	**61.3%**	**58.0%**	**58.2%**	**56.3%**	**55.8%**

Global Specialty Enzymes market

World demand for Specialty enzymes will grow a strong 7.7% per annum to $3.5 billion in 2015. Growth will be fairly robust in all markets, with the fastest gains in the diagnostics and research and biotechnology markets. The ongoing demographic shift toward older populaces in developed countries will also support higher diagnostic enzyme demand. Research and biotechnology will continue to benefit from robust investment in the biotechnology sector at both the corporate and national levels. On a geographic basis, the fastest growth will be in Central and South America, and the Asia / Pacific and Africa / Mideast regions as strong economic growth and rising disposable incomes boost demand for improved health care, and as pharmaceutical and other fine chemical companies increasingly turn to Brazil, China and India for contract manufacturing solutions. Eastern Europe will continue to benefit from investment by West European chemical companies, while North America and Western Europe will trail due to the more mature nature of the markets and slower economic growth that will otherwise restrict gains.

WORLD SPECIALTY ENZYME DEMAND BY MARKET & REGION (in USD million)					
Item / Year	**2000**	**2005**	**2010**	**2015**	**2020**
By Market:					
I) Pharmaceutical	455	795	1,200	1,640	2,180
II) Research & Biotechnology	332	470	695	1,060	1,600
III) Diagnostics	172	240	350	560	840
IV) Biocatalyst	56	105	160	230	350
By Region:					
North America	570	875	1,270	1,805	2,500
Western Europe	240	380	565	795	1,090
Asia / Pacific	140	230	361	563	860
Other Regions	65	125	209	327	520
- Central & South America	23	35	62	100	160
- Eastern Europe	23	43	67	102	160
- Africa/Mideast	19	47	80	125	200
World Specialty Enzyme Demand	**1,015**	**1,610**	**2,405**	**3,490**	**4,970**
World Enzyme Demand	**2,625**	**3,830**	**5,750**	**7,980**	**11,250**
Specialty Enzymes %	**38.7%**	**42.0%**	**41.8%**	**43.7%**	**44.2%**

Type-wise distribution of the Global Enzyme Market

Demand for enzymes is forecast to increase 6.8 percent per year to $8.0 billion in 2015, aided by rapid growth in key markets, as well as the introduction of new, higher-value products. This will include both new versions of existing products such as amylases and proteases that have been optimized for specific applications, and new enzyme types whose potential has yet to be fully explored. Polymerases and nucleases will achieve the fastest growth due to the growing interest of pharmaceutical companies in using biotechnology to bring new drugs to market, as well as the rapid development of new diagnostic tests that target DNA and RNA substrates. Other enzymes will also offer some of the best opportunities for growth through 2015, helped by strong increases in phytase enzymes for animal feed applications, the market development of sulfatases and other enzymes for enzyme replacement therapy, and continued expansion of the biocatalyst market. Carbohydrases will continue to represent the largest single category of enzymes, supported by the large fuel ethanol and starch processing markets, as well as applications in food and beverages, textiles and pharmaceuticals. Proteases, the second largest enzyme category, will continue to lose market share as the cleaning product, dairy and leather markets have reached maturity and competitive pricing pressures remain strong.

WORLD ENZYME DEMAND BY TYPE (in USD million)					
Item / Year	**2000**	**2005**	**2010**	**2015**	**2020**
World Gross Domestic Product (bil 2009$)	53,660	63,890	75,350	92,800	113,800
$ enzymes/mil $ GDP	49	60	76	86	99
World Enzyme Demand					
By Type:					
Carbohydrases	845	1,292	2,107	2,820	4,000
Proteases	975	1,260	1,675	2,200	2,850
Polymerases & Nucleases	360	525	815	1,285	1,940
Lipases	130	185	255	350	470
Other Enzymes	315	568	898	1,325	1,990
World Enzyme Demand	**2,625**	**3,830**	**5,750**	**7,980**	**11,250**

North American Enzyme Market:

Enzyme demand in North America is heavily concentrated in the United States, which alone accounted for 92 percent of regional demand in 2010. The United States is the largest consumer of enzymes in the world, accounting for over 40 percent of the global and 92 percent of the regional demand in 2010. Going forward, enzyme demand in the US will advance 5.4 percent annually to $3.1 billion in 2015, as strong growth in specialty enzymes offsets slower growth in biofuel production and maturity in most industrial enzyme markets. The largest portion of enzyme demand in the US is accounted for by the industrial enzyme segment, which reached $1.2 billion in 2010. The rest of enzyme demand in the US is accounted for by the specialty enzyme segment, which reached $1.2 billion in 2010.

UNITED STATES ENZYME DEMAND BY TYPE & MARKET (in USD million)					
Item / Year	**2000**	**2005**	**2010**	**2015**	**2020**
By Type:					
Carbohydrases	405	545	920	1,110	1,410
- Amylases	137	175	320	375	410
- Cellulases	43	50	60	80	305
- Other Carbohydrases	225	320	540	655	695
Proteases	390	515	640	775	890
Polymerases & Nucleases	185	255	400	620	910
Lipases	50	70	95	120	160
Other Enzymes	130	215	335	490	790
By Market:					
Industrial Enzymes Market	**625**	**780**	**1,200**	**1,425**	**1,830**
Food & Beverage	155	190	245	320	420

Cleaning Product	175	200	255	300	350
Biofuel Production	69	145	440	524	718
Animal Feed	26	65	75	95	115
Other Industrial	200	180	185	186	227
Specialty Enzymes Market	**535**	**820**	**1,190**	**1,690**	**2,330**
Pharmaceutical	260	445	655	890	1,170
Research & Biotechnology	170	225	325	482	703
Diagnostics	80	105	150	233	337
Biocatalyst	25	45	60	85	120
United States Enzyme Demand	**1,160**	**1,600**	**2,390**	**3,115**	**4,160**
North America Enzyme Demand	**1,270**	**1,750**	**2,605**	**3,405**	**4,560**
United States as a % of North America Enzyme Demand	**91.3%**	**91.4%**	**91.7%**	**91.5%**	**91.2%**

Western Europe Enzyme Market:

Western Europe is the second largest market for enzymes behind North America, accounting for $1.2 billion or more than 20 percent of global demand in 2010. In Western Europe, six countries namely Germany, France, United Kingdom, Italy, Netherlands and Spain collectively account for about 80 percent of the region's demand. Enzyme demand in Western Europe will rise 5.8 percent per year to $1.6 billion in 2015. Growth in industrial enzyme demand will generally be restrained by mature markets and weak economic performance as many West European countries struggle with the challenge of recovering from the European debt crisis. Additionally, the ongoing shift in the manufacturing base of West European companies toward those lower labor cost countries in the east of the European Union will have a corresponding negative impact on industrial enzyme demand.

Specialty enzymes will continue to grow at a much faster rate than industrial enzymes, further reflecting the region's manufacturing woes. Diagnostic and research and biotechnology enzymes will achieve the fastest gains as advances in diagnostic tests afforded by the drop in DNA sequencing costs will lead to an expansion in testing for agricultural, food and medical applications, and the region's large pharmaceutical companies continue to boost research and development spending on biologics to expand their new drug pipelines. In contrast, pharmaceutical enzyme demand growth will moderate as some products lose patent protection and new, or alternative, therapies are brought to market. Biocatalyst demand growth will remain strong, as Europe's pharmaceutical companies invest in new production technologies in an effort to stay competitive with companies in North America and the Asia/Pacific region. However, the pace of advances will moderate as the market continues to mature.

WESTERN EUROPE ENZYME DEMAND BY TYPE & MARKET (in USD million)					
Item / Year	**2000**	**2005**	**2010**	**2015**	**2020**
By Type:					
Carbohydrases	190	290	410	535	725
- Amylases	76	108	155	195	245
- Cellulases	46	67	70	88	130
- Other Carbohydrases	68	115	185	252	350
Proteases	250	285	350	440	540
Polymerases & Nucleases	85	125	185	275	395
Lipases	35	45	55	75	95
Other Enzymes	85	155	220	290	365
By Market:					

Industrial Enzymes Market	**405**	**520**	**655**	**820**	**1,030**
Food & Beverage	130	180	275	365	475
Cleaning Product	150	163	185	215	240
Biofuel Production	1	10	25	37	64
Animal Feed	53	112	122	152	191
Other Industrial	71	55	48	51	60
Specialty Enzymes Market	**240**	**380**	**565**	**795**	**1,090**
Pharmaceutical	100	177	270	360	465
Research & Biotechnology	80	115	165	245	355
Diagnostics	42	56	80	122	175
Biocatalyst	18	32	50	68	95
Western Europe Enzyme Demand	**645**	**900**	**1,220**	**1,615**	**2,120**
World Enzyme Demand	**2,625**	**3,830**	**5,750**	**7,980**	**11,250**
Western Europe as a % of World Enzyme Demand	**24.6%**	**23.5%**	**21.2%**	**20.2%**	**18.8%**

<u>Asia Pacific Enzyme Market:</u>

The Asia/Pacific region is the third largest regional consumer of enzymes at $1.1 billion in 2010, accounting for 19 percent of global demand. The majority of the region's demand is accounted for by China and Japan, reflecting the size and strength of their economies. However, economic liberalization in India has rapidly expanded enzyme demand there as well.

Through 2015, demand will rise 9.1 percent annually to $1.7 billion. Unlike in most other regions of the world, growth in industrial enzyme demand will nearly equal that in specialty enzyme demand, reflecting the region's rapidly expanding manufacturing sector. Diagnostics will realize the fastest growth (from a relatively small base), while animal feed, research and biotechnology, and food and beverages will rise at a double digit annual pace.

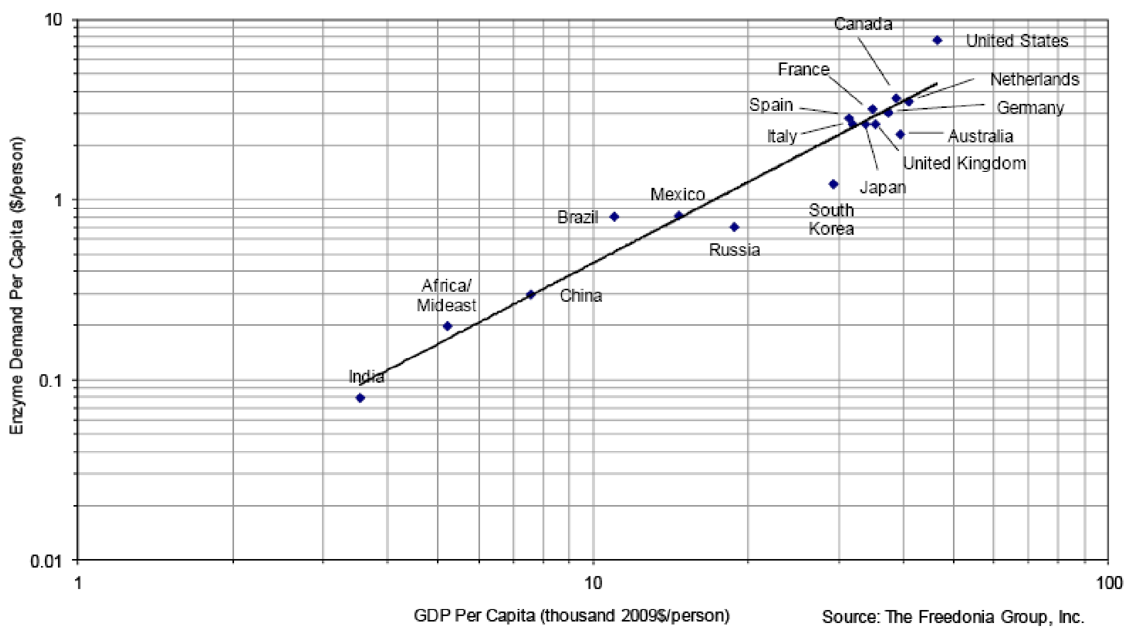
Industrial enzymes constituted two-thirds of enzyme demand in the Asia/Pacific region in 2010, with the food and beverage and cleaning product (detergent) markets accounting for the majority of this demand. Specialty enzymes will continue their strong growth, led by diagnostic and research and biotechnology enzymes. Rising demand for medical care and an increased focus on food quality in rapidly developing economies will drive advances in diagnostic enzymes.

ASIA PACIFIC ENZYME DEMAND BY TYPE & MARKET (in USD million)					
Item / Year	**2000**	**2005**	**2010**	**2015**	**2020**
By Type:					
Carbohydrases	125	235	400	610	985
- Amylases	55	100	175	270	390
- Cellulases	25	45	73	115	250
- Other Carbohydrases	45	90	152	225	345
Proteases	160	215	320	470	680
Polymerases & Nucleases	50	80	128	230	380
Lipases	22	35	54	75	110
Other Enzymes	53	100	178	285	455
By Market:					
Industrial Enzymes Market	**270**	**435**	**719**	**1,107**	**1,750**
Food & Beverage	105	170	320	520	800

Cleaning Product	90	118	165	240	340
Biofuel Production	1	6	15	23	54
Animal Feed	20	52	89	155	284
Other Industrial	54	89	130	169	272
Specialty Enzymes Market	**140**	**230**	**361**	**563**	**860**
Pharmaceutical	55	100	155	210	270
Research & Biotechnology	50	75	120	205	335
Diagnostics	27	40	58	105	178
Biocatalyst	8	15	28	43	77
Asia Pacific Enzyme Demand	**410**	**665**	**1,080**	**1,670**	**2,610**
World Enzyme Demand	**2,625**	**3,830**	**5,750**	**7,980**	**11,250**
Asia Pacific as a % of World Enzyme Demand	**15.6%**	**17.4%**	**18.8%**	**20.9%**	**23.2%**

Indian Enzyme Market:

India has per capita GDP (PPP) of US$ 3,900 (2012 est.) and ranks 164 in the world *(Source: CIA World Factbook*). Real GDP in India is expected to advance 7.9% annually through 2015, slower than the 2005-2010 pace but well above the regional average. On a per capita consumption basis, a general correlation exists between enzyme demand and per capita GDP, with most countries falling on, or near, the trend line. This low per capita GDP of India and correlation between per capita GDP and enzyme demand indicates significant potential and headroom for growth in the Indian enzyme market.



Though, the market for enzymes in India is relatively small US$ 96 million in 2010, but will be the fastest growing in the world through 2015. Advances will average more than 12% per year through 2015, driving demand to $170 million. As with most other markets in the Asia / Pacific region, demand is concentrated in industrial enzymes. However, the rapid development of India's pharmaceutical industry is starting to change this, and specialty enzyme demand will outpace industrial enzyme demand going forward.

Enzyme demand in India is concentrated in industrial enzymes, particularly the cleaning product (detergent), food and beverage, and textile and leather markets. However, even within these industries, enzyme usage rates are significantly below the developed economies of Japan, North America and Western Europe. To a large extent, this can be traced to the government policies that have made it disadvantageous for companies to grow above a certain size, and restricted access to foreign capital for modernization and productivity enhancements. Consequently, smaller companies have lacked the assets and financial resources to modernize their operations with the newer, more efficient technologies that make greater use of enzymes. As the economy is slowly opened to increased foreign direct investment, enzyme usage rates should continue to improve.

In specialty enzymes, most demand is concentrated in the pharmaceutical and research and biotechnology enzyme markets. Growth in the pharmaceutical market is expected to be robust going forward as rising per capita incomes and the reform of India's patent laws to reflect the country's commitments to the World Trade Organization encourage western companies to enter the Indian market. In addition to the pharmaceutical market, strong growth will also be seen in research and biotechnology as the government seeks to promote development of the biotechnology sector to showcase the country's technological prowess, and Indian pharmaceutical and biotechnology companies increasingly seek to make inroads into the developed markets of the United States, the European Union and Japan by investing in advanced technologies. This same trend will also benefit the biocatalysis market.

INDIA : ENZYME DEMAND BY TYPE & MARKET (in USD million)					
Item / Year	**2000**	**2005**	**2010**	**2015**	**2020**
India Enzyme Demand					
By Type:					
1) Carbohydrases	10	20	35	59	109
2) Proteases	13	21	33	58	92
3) Other Enzymes	7	15	28	53	94
By Market:					
Industrial Enzymes	24	42	71	125	215
- Food & Beverage	6	12	23	45	75
- Cleaning Product	9	15	25	45	70
- Other Industrial	9	15	23	35	70
Specialty Enzymes	6	14	25	45	80
Total India Enzyme Demand	**30**	**56**	**96**	**170**	**295**
% of India Enzyme Market contributed by Industrial Enzymes	**80.0%**	**75.0%**	**74.0%**	**73.5%**	**72.9%**
Asia / Pacific Enzyme Demand	**410**	**665**	**1,080**	**1,670**	**2,610**
% of India Enzyme Demand to the Asia / Pacific Enzyme Demand	**7.3%**	**8.4%**	**8.9%**	**10.2%**	**11.3%**

SUMMARY OF BUSINESS

OVERVIEW

We are the largest Indian enzyme company engaged in the research & development, manufacturing and marketing of more than 400 proprietary enzyme products developed from 55 enzymes operating in two primary business verticals namely Healthcare & Nutrition and Bio-Processing. We offer these products to our global clientele of more than 700 customers spanning presence across 45 countries worldwide. We supply these value-added enzyme products to diverse end-user industries like healthcare, human nutrition, animal nutrition, food processing, baking, dairy processing, fruit processing, cereal extraction, brewing, grain processing, protein processing and flavors, biomass processing, textile and leather processing, paper and pulp processing, bio-fuels etc. We manufacture enzymes by using all the four existing natural origins namely plant, fungal, bacterial and animal sources, using environment-friendly biotechnology processes. We rank among the top 25 global enzyme companies in terms of sales, and have the second highest market share domestically, next only to the world's largest enzyme company Novozymes.

We have four manufacturing facilities located in India consisting of two integrated fermentation, recovery and formulation facilities located at Sinnar (Nashik, Maharashtra, India) and Indore (Madhya Pradesh, India), one satellite extraction and recovery facility located at Satpur (Nashik, Maharashtra, India), and one satellite blending, mixing and formulation facility located at Vashind (Shahapur, Thane, Maharashtra, India). We also have a satellite blending, mixing and formulation facility for providing customised enzyme blends and proprietary enzyme solutions at Chino (California, United States) through our step down subsidiary Cal India Foods International (doing business as Specialty Enzymes and Biotechnologies) ("SEB"), which primarily caters to the North American market. Most of our clients have audited and approved our facilities and manufacturing processes, which has helped us to establish our reputation and reliability as a supplier of quality enzyme products, and enabled us to receive repeat business as well as attract new customers.

We focus extensively on the research & development (R&D) of various enzymes, enzyme products and customized enzyme solutions, and currently have four R&D laboratories, of which three are in India, including one process development laboratory located at Sinnar (Nashik, Maharashtra, India) and two application development laboratories located at Thane (Maharashtra, India). We also have a quality assurance / control (QA/QC) and custom application R&D laboratory at our Chino facility in California, United States. Our overall R&D and QA/QC team consists of more than 60 members comprising of scientists, microbiologists, engineers, food technologists and biotechnologists. Our consistent focus on R&D is demonstrated by the fact that 6.72%, 8.05% and 6.37% of our restated standalone net sales for FY12, FY11 and FY10 respectively were invested in R&D activities. Our persistent R&D efforts have enabled us to continuously develop new and innovative enzyme products for various applications. We already have nine registered patents and have filed for another six patents. We have over 100 registered trademarks and additional 22 trademarks have been applied for registration. We also have five registered copyrights and have applied for the registration of one additional copyright.

Our key international markets include North America, South America, Europe, Japan and South-East Asia Pacific. Some of our domestic customers include Sanofi India, Nestle India, Abbott Healthcare, Cipla, Ipca Laboratories, Alkem Laboratories, Emcure Pharmaceuticals and Torrent Pharmaceuticals, and some of our international customers include Higuchi Inc., Stockmeier and BASF Personal Care & Nutrition GmbH. Both domestic and international markets are well supported by our dedicated sales & marketing team.

In order to expand our presence in the North American market, we recently acquired 100% shareholding in SEB and Advanced Supplementary Technologies Corporation ("AST Enzymes"), both based in California, United States for a total consideration of USD 31.98 million and USD 3.10 million respectively. SEB primarily operates in Healthcare & Nutrition vertical and is engaged in providing customised enzyme blends and proprietary enzyme solutions to its clients. SEB also offers QA/QC & custom application R&D

facility along with product formulation from conception to finished product. AST Enzymes primarily operates in Healthcare & Nutrition vertical and is engaged in retail marketing of natural supplements which provides health benefits without the common side effects of chemical drugs. These supplements are provided in four main categories which includes cardiovascular, anti-inflammatory, joint, and digestive & colon health. The acquisition of these companies has enabled us to tap their large client base thereby enhancing our presence in the North American market and hence widening our customer base. These acquisitions have also helped us in enhancing our wide product portfolio by having access to the proprietary and customised solutions offered by SEB and AST Enzymes. Both these companies were acquired from Promoter and Promoter group and for further details regarding the same, please refer to the chapter titled "History and Certain Corporate Matters – Acquisition of Businesses / Undertakings" on page 215 of this Draft Red Herring Prospectus. We have also set-up another subsidiary in Netherlands namely Advanced Enzyme Europe B.V. to expand our presence in the European market.

Our restated consolidated revenue from operations increased from ₹ 613.78 million in FY2008 to ₹ 1,717.40 million in FY2012, representing a CAGR of 29.33%. Our consolidated restated profits after tax increased from ₹ 50.62 million to ₹ 339.85 million during the same period at a CAGR of 60.97%.

Our restated consolidated revenue from operations increased in FY2012 by 47.32% over FY2011. Our restated consolidated profits after tax increased by 104.07% in FY2012 over FY2011, mainly on account of the SEB acquisition. Our restated consolidated revenue from operations for the six months ended September 2012 is ₹ 1,120.84 million. Our consolidated restated profits after tax for the six months ended September 2012 is ₹ 278.77 million.

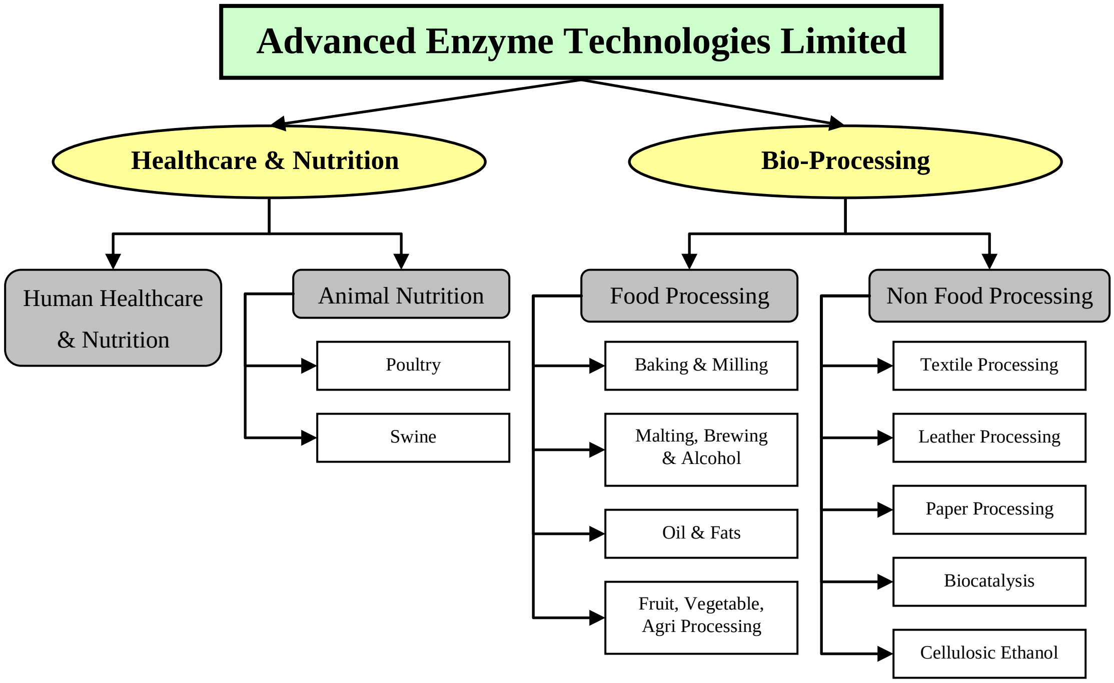
We have been a consistent profit making and dividend paying Company since 1997. In fiscal 2012, about 62.14% of our revenues were from international business and remaining from the domestic market. Contribution from our key business verticals over six month period ended September 30, 2012 and FY12, FY11 and FY10 are as follows:

	H1 FY13		**FY12**		**FY11**		**FY10**	
Total Revenue – Business Verticals	**INR Mn**	**% of Total Revenue**	**INR Mn**	**% of Total Revenue**	**INR Mn**	**% of Total Revenue**	**INR Mn**	**% of Total Revenue**
Healthcare & Nutrition	881	79%	1,253	73%	957	82%	888	78%
Bio-Processing	240	21%	464	27%	209	18%	250	22%

Under the leadership of Mr. Chandrakant Laxminarayan Rathi and Mr. Vasant Laxminarayan Rathi having a combined experience of over six decades in the global enzyme industry, we have been able to expand our presence in existing markets and explore new market opportunities. The superior knowledge and understanding of the industry by our promoters has led us to win several awards and recognitions. We were one of the recipients of the fastest growing mid sized business award organized by Inc. India in year 2013. We were also awarded the Most Innovative Exporter Award organized by Dun & Bradstreet for 2012. We have also been the recipient of the Bio-Excellence Award instituted by the Department of Information Technology, Biotechnology and Science and Technology, Government of Karnataka in the Industrial Biotech Sector for 2010. We have also been honoured with the 'Emerging India Awards 2010' for Life science-Pharmaceuticals & Chemicals segment organized by ICICI Business Banking and CNBC TV18. We have been recognized as a "Star Export House" by Director General of Foreign Trade. Besides, one of our patents has also got registered under "IPCT" in US Patent in 2011-12.

Key Business Verticals

The following chart enumerates the key business verticals in which we currently operate and the industries that we cater to under such verticals:



<u>Healthcare & Nutrition:</u>

- ***Human Healthcare & Nutrition:*** We provide our proprietary enzyme products and customized enzyme solutions to various pharmaceutical companies in India and globally. Some of our key customers in this business vertical include Sanofi India, Abbott Healthcare, Cipla, Ipca Laboratories, Alkem Laboratories, Emcure Pharmaceuticals and Torrent Pharmaceuticals.

- ***Animal Nutrition:*** Through our subsidiary Advanced Bio-Agro Tech Limited, we provide enzyme based nutritional supplements for animal nutrition, mainly catering to poultry and swine. Our product offering enables animals to maximize the nutrients they absorb from the feed, thus helping in reducing feed costs, minimizing animal waste production and accordingly helping to reduce environmental pollution. Some of our key customers in this business vertical are Higuchi Inc., Godrej Agrovet, Suguna Poultry Farms and Acme Laboratories.

<u>Bio-Processing:</u>

- ***Food Processing:*** We provide our proprietary enzyme based products and solutions for replacing hazardous and side effect causing chemicals / additives in food processing industries like baking & milling, malting and brewing, milk and dairy, fruit and vegetable processing, natural product extraction and starch and alcohol. Some of our key customers in this business vertical are Hindustan Unilever, Nestle India, SAB Miller, BASF Personal Care & Nutrition GmBH, Mohan Meakin, Barmalt India and Imperial Malt

- ***Non Food Processing:*** Through our wholly owned subsidiary Advanced EnzyTech Solutions Limited, we offer eco-safe solutions to replace various harsh chemical processes in variety of industries such as textiles, leather, detergent and pulp and paper. The products, we offer, reduces the effluent load and thereby helps our clients to comply with the pollution norms reducing overall process cost. Some of our key customers in this business vertical are S&D Associates and Bextex.

OUR STRENGTHS

We consider the following to be our principal competitive strengths:

Research Driven Company with Strong enzyme development and manufacturing capabilities

We are a research driven company and have invested significant resources in the research & development (R&D) of various enzymes, proprietary enzyme products and customized enzyme solutions since inception. Our consistent focus on R&D is demonstrated by the fact that 6.72%, 8.05% and 6.37% of our restated standalone net sales for FY12, FY11 and FY10 respectively were invested in R&D activities.

We presently have four R&D laboratories, of which three are in India, including one laboratory located at our Sinnar (Nashik, Maharashtra, India) manufacturing facility, two laboratories located at Thane (Maharashtra, India), and one laboratory located at the Chino facility in California, United States. The Sinnar R&D facility is a process development laboratory, approved by the Department of Scientific and Industrial Research (DSIR), focussing on enhancing the production efficiencies during the fermentation process, enhancing downstream processing capabilities and improving recovery and purification yields. One of the R&D laboratories located in Thane supports the Healthcare & Nutrition business vertical, by focussing on the development of various therapeutic enzyme formulations for use in effective and safe medications, for the Healthcare business, and the development of various innovative enzyme applications for the Nutrition business. The second R&D laboratory located in Thane supports the Bio-Processing business vertical by focussing on the development of innovative enzyme applications that lead to improvement in the product quality and process efficiency across various industries like baking, fruit processing, brewing and malting, textile, leather, paper, bio-catalysis etc. Our fourth R&D laboratory located at Chino primarily focuses on quality assurance / control, custom application R&D and providing testing services for our customers.

We are one of the largest enzyme manufacturers in South East Asia with an aggregate fermentation capacity of 360 cubic meters per annum. Our first fermentation facility, which was established at Sinnar in 1993, is ISO 9001:2008 and WHO cGMP certified with an aggregate fermentation capacity of 120 cubic meters per annum. In 2008, we started our Indore unit as a recovery and formulation facility at the Pithampur Special Economic Zone, to enhance our focus on the international export markets ("Phase-I"). The Indore plant was then expanded by adding a state-of-the-art fermentation facility with an aggregate capacity of 240 cubic meters per annum in September 2012 ("Phase-II"). The Indore facility is currently undergoing verification for ISO 22000:2005 certification. We propose to further enhance the manufacturing capacity at Indore by adding fermentation capacity to the tune of an additional 240 cubic meters per annum ("**Phase-III**"), thereby enhancing the capacity of the Indore facility to 480 cubic meters per annum, for which we propose to utilize funds from the Net Proceeds of the Fresh Issue. *For further details regarding the same, please refer to the Chapter titled "Objects of the Issue" on page 117 of this Draft Red Herring Prospectus.*

The Satpur unit is our oldest manufacturing facility functioning as a satellite extraction and recovery facility with an aggregate capacity 36 metric tons per annum. The Vashind facility is a satellite blending, mixing and formulation facility dedicated to our animal nutrition business producing over 2,000 metric tons of feed ingredients per annum, and is also equipped with a large storage area. Our step down subsidiary SEB provides customized enzyme blends and proprietary enzyme solutions for its customers in North America through a satellite blending, mixing and formulation facility at Chino, California. We have received "*Indian FDA*" certification for several of our products as well as other global standard certifications such as "*HALAL*", "*Kosher*", "*NPOP Organic*", "*GOTS*", "*GMP+*" etc.

Our large manufacturing capacity coupled with more than 60 member team of scientists, microbiologists, engineers, food technologists and biotechnologists, has enabled us to develop new enzymes, enzyme products and customized solutions across our business verticals for the domestic and international markets.

Conceiving an enzyme, developing commercially viable production yields, developing value-adding novel applications and later commercializing the enzyme product successfully is one of our biggest strengths. Over the years, we have successfully developed and commercialized 55 enzymes. This can be demonstrated from the fact that as on March 31, 2006 we had an enzyme portfolio of 15 enzymes, whereas as on February 28, 2013, the number of enzymes in our portfolio is 55.

Integrated Player with presence across the Enzyme Value Chain

We are an integrated company with presence across the enzyme value chain, covering the entire range of activities from research & development, commercial-scale manufacturing, to marketing of enzyme products and customized enzyme solutions. Unlike various other players in the industry, which are present in only some parts of the value chain, our integrated presence enables us to be cost-effective vis-à-vis competition, and helps us ensure end-to-end quality control resulting in superior products. This also allows us to cater to our clients' unique requirements, and provide them customized value-added solutions, which further enhances our business profile and strengthens our client relationships.

Experienced Promoters and Strong Management Team

Our Promoters Mr. Chandrakant Rathi and Mr. Vasant Rathi together have a cumulative experience of over six decades in the global enzyme industry, which helps us in assessing market opportunities, estimating future potential of new products and applications, and positioning ourselves in the market accordingly. Their superior industry knowledge and understanding also gives us the key competitive advantage enabling us to expand our geographical and customer presence in existing as well as target markets, while exploring new growth avenues. Our Promoters are supported by a well-qualified and strong management team with several years of industry experience in their respective domains of research, quality control, sales, marketing, strategy and finance. For further details regarding our Key Managerial Personnel, please refer to the Chapter titled "Our Management – Key Managerial Personnel" on page 226 of this Draft Red Herring Prospectus.

Specialized Business with high entry barriers

Manufacturing of enzymes, enzyme based products and solutions requires specialized knowledge of the enzyme industry as well as the end-user industries in which such these products and solutions can be utilized. Presently, other than our Company, domestic players like Biocon, Lumis Biotech, Maps Enzymes and Rossari Biotech, and foreign MNCs like Novozymes A/S, DSM Nutritional Products and Danisco operate in the enzyme manufacturing space in India. Factors such as technical nature of the business, heavy reliance on research and development and dearth of qualified professionals with experience in enzyme and biotechnology industry operates as an entry barrier to new players in the market. One of the biggest challenges facing new companies looking to enter the enzyme industry is obtaining sufficient capital to sustain research and development efforts, until products can be brought to market. This is also the reason the enzyme industry has very few players, and the top players account for a significant portion of the global market share. Our Promoters have a cumulative experience of over six decades in the global enzyme industry and are well supported by qualified professionals having significant experience in the enzyme and biotechnology industry. We believe that our large manufacturing capacities, experienced promoters and track record together with our in house ability to develop new products distinguish us from other players in the market.

Strong Sales & Marketing network in India & North America with growing presence in target markets

Our global presence is spread across 45 countries worldwide with USA, India, Europe and other geographies accounting for 43%, 38%, 10% and 9% of our FY12 sales. Our global focus is visible from the fact that in FY12 nearly 62.14% of our revenues came from our international business with the domestic business accounting for the remaining 37.86%.

In particular, we have a strong sales and marketing network in our two major markets namely North America and India, with an overall team strength of more than 15 people. In addition, through our network of 4 international distributors, we also cater to European, Latin American and African markets. The North American and Indian markets account for 81% of our total revenue from operations.

In order to expand our presence in the North American market, we recently acquired 100% shareholding in SEB and Advanced Supplementary Technologies Corporation ("AST Enzymes"), both based in California, United States for a total consideration of USD 31.98 million and USD 3.10 million respectively. SEB primarily operates in Healthcare & Nutrition vertical and is engaged in providing customised enzyme blends and proprietary enzyme solutions to its clients. SEB also offers QA/QC & custom application R&D facility along with product formulation from conception to finished product. AST Enzymes primarily operates in Healthcare & Nutrition vertical and is engaged in retail marketing of natural supplements which provides health benefits without the common side effects of chemical drugs. These supplements are provided in four main categories which includes cardiovascular, anti-inflammatory, joint, and digestive & colon health. The acquisition of these companies has enabled us to tap their large client base thereby enhancing our presence in the North American market and hence widening our customer base. These acquisitions have also helped us in enhancing our wide product portfolio by having access to the proprietary and customised solutions offered by SEB and AST Enzymes.

Wide Product Portfolio and Customer Base

We are one of the few enzyme manufacturing companies in India catering to various sectors and end-user industries. We have a wide presence in Healthcare & Nutrition and the Bio-Processing verticals and cater to some of the leading and reputed Indian and global companies such as Sanofi India, Cipla, Godrej Agrovet, Nestle India, BASF Personal Care & Nutrition GmbH, etc…As a result of the recent acquisition of SEB and AST Enzymes, both based in California, United States, our customer base has substantially increased enabling us to directly cater to the various clients in North American market. With our consistent track record and wide product portfolio, we have been able to obtain repeat orders from many of our customers, and have also been able to attract new clients.

OUR STRATEGIES

Our business objective is to grow our revenues and profits through increased market presence. We intend to do so by enhancing our geographical reach to key target markets, increasing our products and customized solution offerings in established markets, and expanding into target business verticals presenting significant growth potential. This may require us to invest significant resources towards our R&D activities for product development, enhance our sales and marketing network in key target geographies, expand our manufacturing capacities, undertake domain specific strategic business alliances with key industry players as well as explore acquisition opportunities to accelerate our growth through the inorganic route. These key elements of our business strategy are described in greater detail herein:

Continue to invest significantly in research & development

We believe that we possess the necessary skills, technology, know-how, in-house R&D capabilities and intellectual property competence, to develop new enzymes, enzyme products and customized enzyme solutions, which can be manufactured and marketed in both domestic and international markets. Our R&D strategy is focussed towards developing new products to augment our product portfolio across existing business verticals of Healthcare & Nutrition and Bio-Processing, improving our process efficiencies and productivity across our manufacturing facilities, and developing high quality enzyme products and solutions in target business verticals, which are capable of offering superior efficacy and efficiency than the existing products, processes or solutions currently being used.

Our R&D and QA/QC team consists of more than 60 members comprising of scientists, microbiologists, engineers, food technologists and biotechnologists. Over the years, we have developed & marketed more than 400 proprietary enzyme products. As of February 2013, we have filed for 15 patents, through our in-house R&D team, of which we have been granted 9 patents so far. Commercialization of some of these patents in the future shall contribute to the growth of our business. *For more details on the status of our patents and Intellectual Property Rights, please refer to "Intellectual Property Rights" beginning on page 204 of this Draft Red Herring Prospectus.*

Going forward, we intend to expand our research and development capabilities, by increasing our investment in technology and setting-up state-of-the-art R&D and innovation centres. We intend to employ qualified individuals from the enzyme industry thereby augmenting our dedicated in-house R&D team. We believe that continued investments in R&D will enable us to introduce new product lines enabling us to penetrate new market segments. Towards this end, we intend to establish an R&D centre at Nashik and another R&D and Innovation centre at Thane, by utilizing certain portion of funds from the Net Proceeds of the Fresh Issue. *For further details regarding the same, please refer to the chapter "Objects of the Issue" beginning on page 117 of this Draft Red Herring Prospectus*.

Enhancing our global presence

We seek to enhance our geographical presence in the Latin American and South East Asian markets through our existing set-up in North America and India respectively. Additionally, we seek to enhance our presence in the European market, for which we have already set-up a subsidiary in Netherlands namely Advanced Enzyme Europe B.V., and have also started hiring sales and marketing personnel.

Expansion of Manufacturing Capacities and maintaining cost leadership

We intend to continue to invest in physical and operational infrastructure to meet the industry demands. We have five manufacturing facilities located in Sinnar, Satpur, Thane, Indore and California (USA). Given the increasing demand of enzyme based application in various industry segments, we propose to further increase our manufacturing capacity by expanding our existing fermentation facility at Indore. We believe that the capacity expansion will enable us to cater to the growing demand for enzyme based solutions across industry segments. We hence propose to enhance the manufacturing capacity at Indore by adding fermentation capacity to the tune of an additional 240 cubic meters per annum ("**Phase-III**"), thereby enhancing the capacity of the Indore facility to 480 cubic meters per annum and our overall capacity to 600 cubic meters per annum. *For further details, please refer to "Objects of the Issue" on page 117 of this DRHP*.

To achieve inorganic growth through strategic acquisitions and investments

We intend to explore inorganic opportunities for expanding our reach in Europe and the North American markets through potential acquisitions, as and when such opportunities arise. In pursuit of this, we continuously evaluate inorganic opportunities for expanding our international footprint, augmenting our manufacturing capacities, strengthening our research & development capabilities, and acquiring technologies which can enable us to maintain / improve our cost leadership. Our Strategy is to acquire target companies that offer strong strategic fit to our existing business, possess domain / technology expertise, have a good client base & strong management team and wide selling & marketing network. This shall enable us to augment our product / service offerings, add more customers each year, improve our service standards and customer satisfaction levels continuously, by providing our clientele with a wide choice of products and flexibility to meet their changing needs. We may look at target companies with complementary technological skills or product portfolio, along with significant customer reach across our key target geographies.

After our recent acquisitions in North America, we seek to further enhance our position globally. Through strategic acquisitions, we can get ready access to newer markets / geographies and augment our product / service offerings. Thus, in terms of our overall growth strategy, we continue looking at inorganic growth actively, and may consider consolidating our market share through acquisitions, if targets provide a strong strategic fit at a reasonable price. This will also enable us to consolidate our sourcing needs, giving us better buying power and yielding cost savings. We shall also consider entering into strategic partnerships or making investments into companies, as part of this inorganic growth strategy. We also propose to utilize some portion of the funds raised in the Issue, towards this purpose.

Expanding into target business verticals presenting significant growth potential

Currently, we cater to two primary business verticals of Healthcare & Nutrition and Bio-Processing. We intend to expand into target business verticals, which present significant growth potential and are in-line with the company's growth strategy. We intend to do the same by developing new enzymes, enzyme products and customized solutions through our in-house R&D capabilities in target business verticals including baking, fruit & wine processing, brewing & malting, bio-catalysis etc.

SUMMARY FINANCIAL INFORMATION

The following tables set forth audited and restated standalone and consolidated summary information on our assets and liabilities, profit and loss statements and cash flows as of and for the financial year ended March 31, 2008, 2009, 2010, 2011, 2012 and six months ended September 30, 2012.

These tables should be read in conjunction with our audited and restated standalone and consolidated financial statements included in the section titled “Financial Statements” on page 257 and the section titled “Management’s Discussion and Analysis” on page 374 of this Draft Red Herring Prospectus,

CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)

Annexure I

Particulars	As at September 30,	As at March 31,				
	2012	2012	2011	2010	2009	2008
A. Non current assets						
Fixed assets						
Tangible assets	1,167.07	496.31	511.69	539.33	514.87	368.02
Goodwill on consolidation	1,547.18	1,547.18	-	-	-	-
Capital work in progress	13.42	602.30	188.65	7.27	0.02	144.50
Intangible assets	-	0.63	1.94	3.33	5.15	1.13
Non-current investments	0.62	0.62	0.62	0.06	0.06	0.06
Long term loans and advances	133.90	76.56	212.92	32.11	39.09	38.11
Other non current assets	0.33	0.89	0.02	0.46	0.46	0.47
Total non current assets	2,862.52	2,724.49	915.84	582.56	559.65	552.29
B. Current assets						
Inventories	302.88	290.76	178.69	261.45	198.08	199.03
Trade receivables	378.38	322.46	220.37	206.14	153.27	120.82
Cash and bank balances	40.60	52.97	148.79	17.19	9.98	5.76
Short term loans and advances	82.84	100.43	67.08	21.41	19.43	27.78
Total current assets	804.70	766.62	614.93	506.19	380.76	353.39
C. Minority interest	20.73	15.85	12.55	10.73	4.44	1.80
D. Non current liabilities						
Long term borrowings	1,284.23	1,393.88	369.06	108.17	132.16	157.49
Deferred tax liabilities (net)	99.85	67.90	70.04	63.52	69.52	59.13
Total non current liabilities	1,384.08	1,461.78	439.10	171.69	201.68	216.62
E. Current liabilities						
Short term borrowings	334.90	379.30	272.71	212.53	154.98	183.71
Trade payables	130.07	183.06	82.76	117.09	81.35	76.48
Other current liabilities	379.46	422.92	69.37	89.25	104.84	92.88
Short term provisions	16.96	57.77	21.61	8.91	17.75	16.80
Total current liabilities	861.39	1,043.05	446.45	427.78	358.92	369.87
Net Worth(A+B-C-D-E)	**1,401.01**	**970.42**	**632.67**	**478.56**	**375.37**	**317.39**
Represented by:						

F. Share capital	214.29	207.31	207.31	207.31	103.66	103.66
G. Reserves and surplus	1,186.72	763.11	425.36	271.25	271.71	213.73
Net Worth(F+G)	**1,401.01**	**970.42**	**632.67**	**478.56**	**375.37**	**317.39**

CONSOLIDATED SUMMARY STATEMENT OF PROFITS AND LOSSES, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)

Annexure II

Particulars	For period ended September 30,	For the year ended March 31,				
	2012	**2012**	**2011**	**2010**	**2009**	**2008**
Revenue						
Revenue from operations	1,120.84	1,717.40	1,165.73	1,137.67	847.64	613.78
Other income	18.25	28.56	34.46	16.15	4.79	4.73
Total revenue	**1,139.09**	**1,745.96**	**1,200.19**	**1,153.82**	**852.43**	**618.51**
Expenses						
Cost of materials consumed	330.72	514.95	404.97	480.47	321.86	237.32
Changes in inventories of finished goods and work-in-progress	(23.15)	(36.76)	65.16	(11.16)	14.35	(39.78)
Employee benefits expenses	115.63	201.33	133.83	137.20	104.38	78.75
Finance costs	28.12	122.38	23.09	31.27	39.23	17.93
Depreciation and amortisation expense	28.39	54.98	49.89	51.27	47.04	33.41
Other expenses	239.80	408.32	333.40	304.32	232.70	226.73
Total expenses	**719.51**	**1,265.20**	**1,010.34**	**993.37**	**759.56**	**554.36**
Profit before extraordinary item and tax	**419.58**	**480.76**	**189.85**	**160.45**	**92.87**	**64.15**
Loss of goods in transit (Refer to note 13 of Annexure IV)	-	1.51	-	-	-	-
Profit before tax	**419.58**	**479.25**	**189.85**	**160.45**	**92.87**	**64.15**
Tax expense						
Current tax	126.36	143.24	28.80	45.46	8.52	7.45
Less : MAT credit entitlement	23.34	5.00	14.60	-	-	-
Deferred tax	31.94	(2.14)	7.17	(5.99)	10.38	3.59
Fringe benefit tax	-	-	-	-	1.42	1.05
Total Tax	**134.96**	**136.10**	**21.37**	**39.47**	**20.32**	**12.09**
Profit after tax before Minority interest	**284.62**	**343.15**	**168.48**	**120.98**	**72.55**	**52.06**
Less: Share of Minority interest	5.85	3.30	1.94	6.28	2.44	1.44
Profit after tax , As restated	278.77	339.85	166.54	114.70	70.11	50.62

CONSOLIDATED STATEMENT OF CASH FLOWS, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)

Annexure III

Particulars	**For period ended September 30,**	**For the year ended March 31,**				
	2012	**2012**	**2011**	**2010**	**2009**	**2008**
A. CASH FLOW FROM OPERATING ACTIVITIES						
Net profit before tax	419.58	479.25	189.85	160.45	92.87	64.15
Extraordinary items		(1.51)	-	-	-	-
Insurance claim received		1.51	-	-	-	-
Profit before extraordinary items and tax	419.58	479.25	189.85	160.45	92.87	64.15
Adjustments for non-cash transactions						
Depreciation and amortisation	28.39	54.98	49.89	51.27	47.04	33.41
Other adjustments to tangible assets	-	5.05	-	-	-	-
(Profit)/ Loss on sale of fixed assets	-	0.16	0.03	0.18	0.18	(0.04)
(Profit)/ Loss on sale of investments	-	-	(9.26)	-	-	-
Investments written off	-	-	0.01	-	-	-
Bad and doubtful trade receivables	-	-	3.77	0.62	0.78	0.42
Bad and doubtful trade receivables written off	-	0.85	1.69	0.22	0.06	1.64
Excess provision written off/ (back)	-	-	(1.29)	-0.42	-0.60	(1.20)
Sundry balances written off/ (back)	0.00	0.00	-	-	-	-
Unrealised foreign exchange (gain) / loss	(20.21)	(1.55)	1.29	0.02	-	-
Foreign Exchange Translation reserve	(50.67)	21.99	(0.45)	0.63	-	-
Items considered separately						
Interest income	(3.77)	(8.55)	(5.80)	(0.92)	(0.26)	(0.13)
Interest expenses	42.91	117.08	21.65	20.41	25.63	17.68
Operating profit before working capital changes	**416.23**	**669.26**	**251.38**	**232.46**	**165.70**	**115.93**
Adjustments for:						
Increase /(decrease) in short term liabilities and provisions	(31.03)	19.07	9.87	13.72	(0.01)	16.77
Increase / (decrease) in Other Current Liabilities	(58.53)	71.41	8.73	(15.60)	(0.90)	16.93
Increase / (decrease) in trade payables	(52.99)	100.30	(34.34)	35.74	4.88	12.34

Particulars	For period ended September 30,	For the year ended March 31,				
	2012	2012	2011	2010	2009	2008
(Increase) / decrease in inventories	(12.13)	(112.08)	82.77	(63.37)	0.95	(28.88)
(Increase) / decrease in trade receivables	(55.93)	(102.94)	(18.40)	(53.29)	(32.68)	(30.34)
(Increase) / decrease in short term loans and advances	17.59	(17.31)	(61.68)	(1.97)	8.34	6.46
(Increase) / decrease in other current assets	(0.27)	0.04	(0.02)	(0.02)	(0.01)	0.14
Increase / (decrease) in Other Non Current Assets	0.55	(0.87)	0.44	-	0.02	(0.45)
(Increase) / decrease in long term loans and advances	(44.65)	11.77	(32.44)	29.42	1.98	(11.08)
Cash (used in)/generated from operating activities	**178.84**	**638.65**	**206.31**	**177.09**	**148.27**	**97.82**
Income taxes paid	(120.51)	(124.78)	(38.44)	(57.78)	(11.24)	(20.42)
Net cash (used in)/generated from operating activities	**58.33**	**513.87**	**167.87**	**119.31**	**137.03**	**77.40**
B. CASH FLOW FROM INVESTING ACTIVITIES						
Purchase of tangible assets	(114.54)	(1,891.32)	(359.21)	(89.04)	(50.40)	(104.50)
Proceeds from sale of tangible assets	-	-	50.59	0.33	0.27	2.02
(Purchase) / Proceeds of intangible assets	-	-	-	-	(4.02)	-
Investment in fixed deposits	(1.78)	(0.25)	(0.61)	0.02	0.57	(0.56)
Purchase of non-current investments	0.00	-	-	-	-	-
Proceeds from sale of non-current investments	-	-	8.70	-	-	-
Interest received	3.77	8.55	5.80	0.92	0.26	0.12
Net cash used in investing activities	**(112.55)**	**(1,883.02)**	**(294.73)**	**(87.77)**	**(53.32)**	**(102.91)**
C. CASH FLOW FROM FINANCING ACTIVITIES						
Proceeds from issue of share capital / Share application Money	202.36	-	-	-	-	-
Proceeds / (Repayment) from long term borrowings	(74.57)	1,308.52	230.98	(49.32)	(12.45)	(42.94)
Proceeds / (Repayment) from short term borrowings	(44.40)	106.60	60.17	57.55	(28.72)	87.88
Purchase of Minority Interest	(0.97)	-	-	-	-	-
Interest paid	(42.91)	(117.08)	(21.65)	(20.41)	(25.63)	(17.68)
Dividends paid (including dividend tax)	-	(24.09)	(12.09)	(12.13)	(12.13)	-
Net cash (used in)/generated from financing activities	**39.51**	**1,273.95**	**257.41**	**(24.31)**	**(78.93)**	**27.26**

Particulars	For period ended September 30,	For the year ended March 31,				
	2012	2012	2011	2010	2009	2008
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	**(14.71)**	**(95.20)**	**130.55**	**7.23**	**4.77**	**1.75**
Opening cash and cash equivalents	52.54	147.74	17.19	9.96	5.18	3.43
Closing cash and cash equivalents*	**37.83**	**52.54**	**147.74**	**17.19**	**9.96**	**5.18**
*** Reconciliation of cash and cash equivalents**						
Cash in hand	0.47	0.82	0.60	0.26	0.28	0.12
Margin money deposited	-	-	-	0.10	0.10	0.10
Balance with scheduled banks :						
Current account	33.11	48.52	51.85	14.01	9.17	4.35
Fixed deposit account	7.01	4.17	96.01	2.12	0.64	1.50
Other bank balance	0.34	0.35	0.35	1.16	0.25	0.16
	40.93	**53.86**	**148.81**	**17.65**	**10.44**	**6.23**
Less : Fixed deposit not considered as cash equivalents	3.10	1.32	1.07	0.46	0.48	1.05
	37.83	**52.54**	**147.74**	**17.19**	**9.96**	**5.18**
The above Cash and bank balances includes amount kept as liquid assets for the compliance of Companies (Acceptance of public deposits) Rules,1975	2.67	4.17	0.77	0.43	1.64	0.50

STANDALONE FINANCIAL STATEMENTS

SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)

Annexure I

Particulars	As at September 30,	As at March 31,				
	2012	2012	2011	2010	2009	2008
A. Non current assets						
Fixed assets						
Tangible assets	1,147.04	475.38	504.86	482.07	513.81	367.26
Capital work in progress	-	591.50	188.44	7.11	0.02	144.42
Intangible assets under Development	-	0.63	1.94	3.24	5.06	1.04
Non-current investments	138.61	137.20	48.74	5.26	3.96	5.02
Long term loans and advances	133.39	97.23	212.12	30.75	38.46	38.35
Other non current assets	0.33	0.89	0.02	0.46	0.46	0.47
Total non current assets	1,419.37	1,302.83	956.12	528.89	561.77	556.56

B. Current assets						
Inventories	224.57	198.22	163.27	234.29	196.52	197.86
Trade receivables	272.37	281.98	216.53	194.87	139.67	112.30
Cash and bank balances	32.55	33.42	99.13	7.35	2.57	2.80
Short term loans and advances	81.08	100.58	67.36	68.24	23.62	32.11
Total current assets	610.57	614.20	546.29	504.75	362.38	345.07
C. Non current liabilities						
Long term borrowings	305.62	343.56	368.87	107.85	132.17	157.50
Deferred tax liabilities (net)	96.45	64.18	70.06	62.90	69.47	59.11
Total non current liabilities	402.07	407.74	438.93	170.75	201.64	216.61
D. Current liabilities						
Short term borrowings	205.14	328.24	267.58	208.23	154.98	183.71
Trade payables	126.79	167.68	83.93	98.72	78.28	73.71
Other current liabilities	144.75	148.74	63.64	79.42	102.37	91.19
Short term provisions	11.00	51.69	21.28	12.91	17.12	15.76
Total current liabilities	487.68	696.35	436.43	399.28	352.75	364.37
Net Worth(A+B-C-D)	**1,140.19**	**812.94**	**627.05**	**463.61**	**369.76**	**320.65**
Represented by:						
E. Share capital	214.29	207.31	207.31	207.31	103.66	103.66
F. Reserves and surplus	925.90	605.63	419.74	256.30	266.10	216.99
Net Worth(E+F)	**1,140.19**	**812.94**	**627.05**	**463.61**	**369.76**	**320.65**

SUMMARY STATEMENT OF PROFITS AND LOSSES, AS RESTATED

(Amounts in ₹ millions, unless otherwise stated)

Annexure II

Particulars	For period ended September 30,	For the year ended March 31,				
	2012	2012	2011	2010	2009	2008
Revenue						
Revenue from operations	710.54	1,129.51	1,113.24	1,070.16	812.29	598.78
Other income	15.02	32.55	14.98	15.74	6.63	4.88
Total revenue	**725.56**	**1,162.06**	**1,128.22**	**1,085.90**	**818.92**	**603.66**
Expenses						
Cost of materials consumed	268.77	395.47	401.32	468.81	320.77	235.23
Changes in inventories of finished goods and work-in-progress	(9.39)	(38.56)	57.20	7.97	14.73	(39.71)
Employee benefit expenses	66.96	126.43	107.34	94.92	89.19	76.02

Finance costs	(2.89)	36.98	21.98	29.95	39.03	17.92
Depreciation and amortisation expense	26.53	52.08	47.55	47.34	46.72	33.31
Other expenses	208.07	336.38	298.45	300.41	231.02	222.38
Total expenses	**558.05**	**908.78**	**933.84**	**949.40**	**741.46**	**545.15**
Profit before tax and prior period items	167.51	253.28	194.38	136.50	77.46	58.51
Loss of goods in transit (Refer to note 18 of Annexure IV)	-	1.51	-	-	-	-
Profit before tax, as restated	**167.51**	**251.77**	**194.38**	**136.50**	**77.46**	**58.51**
Tax expense						
Current tax	33.70	52.67	26.29	37.09	4.86	4.95
MAT credit entitlement	(23.34)	(5.00)	(14.60)			
Deferred tax	32.26	(5.88)	7.16	(6.57)	10.36	3.57
Fringe benefit tax	-	-	-	-	1.00	0.94
Profit for the year after tax	**124.89**	**209.98**	**175.53**	**105.98**	**61.24**	**49.05**
Net profit as restated	**124.89**	**209.98**	**175.53**	**105.98**	**61.24**	**49.05**

STATEMENT OF CASH FLOWS, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)

Annexure III

Particulars	**For period ended September 30,**	**For the year ended March 31,**				
	2012	**2012**	**2011**	**2010**	**2009**	**2008**
A. CASH FLOW FROM OPERATING ACTIVITIES						
Net profit before tax	167.51	251.77	194.38	136.50	77.46	58.51
Adjustments for:						
Depreciation and amortisation	26.53	52.08	47.55	47.34	46.72	33.31
Loss on impairment	-	5.05	-	-	-	-
Excess provision written back	-	(0.36)	(0.86)	-	(0.15)	(1.20)
Unrealised foreign exchange (gain)/loss	(16.80)	(1.70)	1.18	6.15	11.46	(7.25)
(Gain)/loss on sale of fixed assets		0.16	(0.09)	0.11	0.18	(0.04)
(Profit) on sale of investment	-	-	(0.77)	-	-	-
Diminution In Values Of Share	8.77	-	-	-	-	-
Investment written off	-	-	0.01	-	-	-
Interest income	(5.61)	(14.09)	(5.70)	(0.92)	(2.71)	(0.29)
Interest expense	12.13	32.16	20.68	20.16	25.63	17.67
Bad and doubtful trade receivables written	-	0.85	-	0.22	0.06	1.64

off						
Allowances for (net of write offs) - bad and doubtful trade receivables	-	-	2.95	0.62	0.78	0.42
Sundry balances written off / (back) net	-	(3.17)	0.43	(0.27)	0.05	(0.12)
Operating profit before working capital changes	**192.53**	**322.75**	**259.76**	**209.91**	**159.49**	**102.65**
Adjustments for:						
(Increase)/Decrease in inventories	(26.35)	(34.95)	71.02	(37.77)	1.36	(28.82)
(Increase)/Decrease in trade receivable	13.76	(63.10)	(24.76)	(56.77)	(26.11)	(18.67)
(Increase) / decrease in short term loans and advances	(7.50)	(30.56)	22.07	(44.20)	7.68	(0.74)
(Increase) / decrease in long term loans and advances	(2.22)	120.34	(201.51)	0.79	7.75	(11.98)
(Increase) / decrease in other non current assets	-	(0.87)	-	-	-	(0.47)
Increase/(Decrease) in trade payable	(41.19)	83.45	(14.70)	20.57	4.57	8.34
Increase / (decrease) in short term liabilities and provisions	(11.36)	(1.73)	9.04	0.80	(1.07)	5.93
Cash (used in)/generated from operating activities	**117.67**	**395.33**	**120.92**	**93.33**	**153.66**	**53.54**
Income taxes paid	(38.69)	(31.07)	(13.76)	(14.45)	(8.78)	(12.69)
Net cash (used in)/generated from operating activities	**78.98**	**364.26**	**107.16**	**78.88**	**144.88**	**43.55**
B. CASH FLOW FROM INVESTING ACTIVITIES						
Purchase of tangible assets	(106.07)	(429.44)	(250.75)	(28.34)	(59.49)	(101.31)
Proceeds from sale of tangible assets	-	0.06	0.44	0.05	0.27	2.02
Purchase of non-current investments	(2.71)	(88.46)	(45.72)	-1.30	-	(0.10)
Proceeds from sale of non-current investments	-	-	-	-	1.06	-
Proceeds from sale of current investments	-	-	3.00	-	-	-
Investment in Fixed Deposit	(2.34)	0.61	(1.05)	0.02	0.56	(0.09)
Interest received	4.27	9.92	4.44	0.87	2.33	0.39
Net cash used in investing activities	**(106.85)**	**(507.31)**	**(289.64)**	**(28.70)**	**(55.27)**	**(99.09)**
C. CASH FLOW FROM FINANCING ACTIVITIES						
Proceeds from issue of share capital	202.36	-	-	-	-	-
proceeds from long term borrowings	-	63.34	232.50	-	-	-
Repayment of long term borrowings	(16.58)	-	-	(55.11)	(22.75)	(15.38)
Proceeds from short term borrowings	-	58.87	62.18	53.26		87.88
Repayment of short term borrowings	(124.88)	-	-	-	(28.72)	0.00
Interest paid	(12.13)	(32.16)	(20.68)	(20.16)	(25.76)	(17.67)
Dividends paid (including dividend tax)	(24.10)	(12.10)	(0.79)	(23.36)	(12.06)	-
Net cash (used in)/generated from financing activities	**24.67**	**77.95**	**273.21**	**(45.37)**	**(89.29)**	**54.83**
Net Increase/(decrease) in cash and cash	**(3.20)**	**(65.10)**	**90.73**	**4.81**	**0.32**	**(0.71)**

equivalents (A+B+C)						
Opening cash and cash equivalents	**32.98**	**98.08**	**7.35**	**2.54**	**2.22**	**2.93**
Closing cash and cash equivalents*	**29.78**	**32.98**	**98.08**	**7.35**	**2.54**	**2.22**
*** Reconciliation of cash and cash equivalents**						
Cash in hand	0.42	0.78	0.58	0.17	0.28	0.11
Balance with scheduled banks :						
Current account	25.11	29.00	2.21	4.36	1.86	1.50
Fixed deposit account	7.01	4.17	96.00	2.12	0.64	1.03
Other bank balance	0.34	0.35	0.35	1.16	0.25	0.16
	32.88	**34.30**	**99.15**	**7.81**	**3.02**	**2.80**
Less : Fixed deposit not considered as cash equivalents	(3.10)	(1.32)	(1.07)	(0.46)	(0.48)	(0.58)
Cash and cash equivalents	**29.78**	**32.98**	**98.08**	**7.35**	**2.54**	**2.22**
The above Cash and bank balances includes amount kept as liquid assets for the compliance of Companies (Acceptance of public deposits) Rules,1975	2.67	4.17	0.77	0.43	1.64	**0.50**

THE ISSUE

Issue of Equity Shares		[●] Equity Shares of Face Value of ₹ 10/- each for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating to ₹ 2,000 Million consisting of a Fresh Issue of [●] Equity Shares and an Offer for Sale[1] upto 37,00,000 Equity Shares
Of which		
A) **Employee Reservation Portion**		Upto 1,00,000 Equity Shares shall be available for allocation to Eligible Employees
B) **Net Issue**		
Of which		
(i) **QIB Portion**		[●] Equity Shares shall be available for allocation to QIBs
Of which:		
	Available for Mutual Funds only	Upto [●] Equity Shares
	Balance of Net QIB Portion (available for QIBs including Mutual Funds)	[●] Equity Shares
(ii) **Non-institutional Portion**		Not less than [●] Equity Shares shall be available for allocation
(iii) **Retail Portion**		Not less than [●] Equity Shares shall be available for allocation
Equity Shares outstanding prior to the Issue		2,17,65,600 Equity Shares
Equity Shares outstanding after the Issue		[●] Equity Shares
Use of Net Proceeds		*See "Objects of the Issue" on page 117 of this DRHP*

[1]*The Issue comprises an Offer for Sale upto 37,00,000 Equity Shares (aggregating to [●] % of our post Issue Capital) by the Selling Shareholders in the following proportion: -*

Sr. No.	Name	Number of Equity Shares	Date of consent/board resolution
1.	Mr. Vasant Laxminarayan Rathi	31,00,000	March 26, 2013
2.	Mr. Pradip Bhailal Shah	2,00,000	March 26, 2013
3.	Chandrakant Rathi Finance and Investment Company Private Limited	3,00,000	March 10, 2013
4.	Mr. Madhusudan Kabra	50,000	March 26, 2013
5.	Mr. Kishor Laxminarayan Rathi	50,000	March 26, 2013
Total		**37,00,000**	

The Equity Shares offered for sale in the Issue by the Selling Shareholders are held by them for a period of more than one year prior to the date of filing of this DRHP and, hence, are eligible for being offered for sale in the Issue.

Note:

1. *The Net Issue shall comprise of 25 % of our Post Issue Equity Share Capital. The Issue has been authorized by the Board of Directors and the Shareholders pursuant to their resolutions dated*

January 8, 2013 and February 2, 2013, respectively. Further the Offer for Sale has been authorized by the Selling Shareholders.

2. *Allotment to each Retail Individual Bidder shall not be less than the minimum Bid lot, subject to availability of Equity Shares in the Retail Portion. The remaining available Equity Shares, if any, in Retail Portion shall be allotted on a proportionate basis to Retail Individual Bidders.*

3. *In the event of over-subscription, allocation shall be made on a proportionate basis to QIBs and Non-institutional investors' categories subject to valid Bids being received at or above the Issue Price.*

4. *The Employee Discount, if any, will be offered to Eligible Employees bidding in the Employee Reservation Portion at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion bidding at a price within the Price Band can make payment at the Payment Amount, i.e., the Bid Amount less Employee Discount, at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion bidding at the Cut-Off Price have to ensure payment at the Cap Price, less Employee Discount, at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion must ensure that the Application amount does not exceed ₹ 2,00,000. Please refer to the "Issue Procedure" on page 461 of this DRHP, for information on rejection of Bids.*

   *Eligible Employees bidding in the Employee Reservation Portion should note that while filling the "SCSB/Payment Details" block in the Bid-cum-Application Form, they must mention the Payment amount, i.e., the Bid Amount less Employee Discount, as applicable. Please refer to the "**Issue Procedure**" on page 461 of this DRHP, for further information including rejection of Bids.*

5. *Under-subscription, if any, in any category, other than the QIB category, would be allowed to be met with spill over from the other categories, at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange. Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue to the public.*

6. *Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic mutual fund, subject to valid Bids being received from domestic mutual funds at or above the price at which allocation being done to other Anchor Investors. For details, please see the section titled "Issue Procedure" on page 461 of this DRHP. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion.*

7. *After the filing of the DRHP but before filing of the RHP with the RoC, approval of RBI shall be sought by our Company in compliance with the applicable foreign exchange rules and regulations for transfer of equity shares pursuant to the Offer for Sale.*

8. *After the filing of the DRHP but before filing of the RHP with the RoC, approval of FIPB shall be sought by our Company in compliance with the applicable foreign exchange rules and regulations for allowing foreign investment into the Company in the Issue.*

For details of the terms of the Issue, see "*Terms of the Issue*" on page 454 of this DRHP.

GENERAL INFORMATION

Our Company was incorporated as a private limited company on March 15, 1989 under the provisions of the Companies Act, 1956 as Advanced Biochemicals Private Limited in Maharashtra. Pursuant to a special resolution passed by the shareholders of our Company at the extra-ordinary general meeting held on April 21, 1992, our Company was converted into a public limited company and consequently the name of our Company was changed to Advanced Biochemicals Limited. A fresh certificate of incorporation reflecting the new name was issued by the Registrar of Companies, Maharashtra on May 28, 1992. Pursuant to a special resolution passed by the shareholders of our Company at the extra-ordinary general meeting held on August 8, 2005, the name of our Company was further changed from Advanced Biochemicals Limited to Advanced Enzyme Technologies Limited. A fresh certificate of incorporation reflecting the new name was issued by the Registrar of Companies, Maharashtra on August 19, 2005. *For further details please see the section titled "History and Certain Corporate Matters" on page 215 of this DRHP*.

Registered and Corporate Office:
Advanced Enzyme Technologies Limited
Sun Magnetica,
5th Floor, Near LIC Service Road,
Louis Wadi,
Thane,
Maharashtra – 400 604
Tel No: + 91-22-4170 3200
Fax No: + 91-22-25835159
Contact Person & Compliance Officer: Mr. Sunil Sharma
Email: info@enzymeindia.com
Website: www.enzymeindia.com
Registration Number: 051018
Corporate Identification Number: U24200MH1989PLC051018

For further details relating to changes in our registered office, see the section titled "History and Certain Corporate Matters - Changes in Registered Office" on page 215 of this DRHP.

Address of Registrar of Companies:
Office of Registrar of Companies,
100, Everest,
Marine Drive,
Mumbai- 400002.
Tel No: + 91-22-22812639
Fax No: + 91-22-22811977
Email: roc.mumbai@mca.gov.in

OUR BOARD OF DIRECTORS

Name of our Directors	Age	DIN	Designation
Mr. Chandrakant Laxminarayan Rathi	58	00365691	Managing Director
Mr. Vasant Laxminarayan Rathi	65	01233447	Non-Executive and Non-Independent Director
Mrs. Savita Rathi	52	00365717	Executive and Whole Time Director
Mr. Mukund Madhusudan Kabra	40	00148294	Executive and Whole Time Director

Mr. Pradip Bhailal Shah	59	01225582	Non-Executive and Non-Independent Director
Mr. Ramesh Thakorlal Mehta	80	00367439	Non-Executive and Independent Director
Mr. Pavan Kumar Gupta	64	00603676	Non-Executive and Independent Director
Mr. Kedar Jagdish Desai	41	00322581	Chairman, Non-Executive and Independent Director
Mr. K. V. Ramakrishna	43	00133248	Non-Executive and Non-Independent Director

For detailed profile of our Directors, please refer to the Chapter titled "Our Management" beginning on page 226 of the DRHP.

COMPLIANCE OFFICER
Mr. Sunil Sharma
Advanced Enzyme Technologies Limited
Sun Magnetica,
5th Floor,
Near LIC Service Road,
Louis Wadi,
Thane,
Maharashtra – 400 604
Tel No: + 91-22-4170 3200
Fax No: + 91-22-2583 5159
Email: sunil.sharma@enzymeindia.com
Website: www.enzymeindia.com

COMPANY SECRETARY

Mr. Beni Prasad Rauka
Advanced Enzyme Technologies Limited
Sun Magnetica,
5th Floor,
Near LIC Service Road,
Louis Wadi,
Thane,
Maharashtra – 400 604
Tel No: + 91-22-4170 3200
Fax No: + 91-22-2583 5159
Email: brauka@enzymeindia.com
Website: www.enzymeindia.com

Investors are advised to contact the Compliance Officer and/or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders, non-receipt of funds by electronic mode etc.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB and the Member of the Syndicate with whom the Bid cum Application Form was submitted by the ASBA Bidder, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Bid cum Application Form was submitted by the ASBA Bidders or the address of the center of the Syndicate where the Bid cum Application Form was submitted by the ASBA Bidder, as the case may be.

STATUTORY AUDITORS TO OUR COMPANY
Walker, Chandiok & Co
16th Floor, Tower II, Indiabulls Finance Centre,
S. B. Marg, Elphinstone (W),
Mumbai 400 013
Tel No: + 022 - 6626 2600
Fax: + 022 – 6626 2601
Email: khushroo.panthaky@in.gt.com
Website: www.wcgt.in
Contact Person: Mr. Khushroo Panthaky

ISSUE MANAGEMENT TEAM

BOOK RUNNING LEAD MANAGERS

ICICI Securities Limited
ICICI Centre, H.T. Parekh Marg,
Churchgate, Mumbai – 400 020.
Tel: +91 22 2288 2460 / 70
Fax: +91 22 2282 6580
SEBI Registration No: INM000011179
Email: aetl.ipo@icicisecurities.com
Investor Grievance Email: customercare@icicisecurities.com
Website: www.icicisecurities.com
Contact Person: Mr. Sumit Agarwal / Ms. Payal Kulkarni / Mr. Vishal Kanjani

SBI Capital Markets Limited
202, Maker Tower E,
Cuffe Parade, Mumbai 400 005
Tel : +91 22 2217 8300
Fax: +91 22 2218 8332
SEBI Registration No: INM000003531
Email: aetl.ipo@sbicaps.com
Investor Grievance Email: investor.relations@sbicaps.com
Website: www.sbicaps.com
Contact Person: Ms. Kavita Tanwani/ Mr. Sambit Rath

REGISTRAR TO THE ISSUE

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup (West), Mumbai 400 078.
Tel: (+91 22) 2596 7878
Fax: (+91 22) 2596 0329

SEBI Registration Number: INR000004058
Email : aetl.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Mr. Sachin Achar

BANKERS TO OUR COMPANY

IndusInd Bank
8/8/2, Solitare Corporate Park,
Building No. 8, 8th Floor,
167, Guru Hargovindji Marg,
Andheri (East), Mumbai – 400 093.
Tel. No.: + 022 - 43457500
Fax No.: + 022 - 23859913
E-mail: rohit.yelleswarapu@indusind.com
Website: www.indusind.com
Contact Person: Mr. Rohit Yelleswarapu

DBS Bank
3rd Floor, Fort House,
221, Dr. D.N Road,
Fort, Mumbai – 400 001.
Tel. No.: + 022 – 6638 8888
Fax No.: + 022 – 6638 8899
E-mail: jain.gaurav@dbs.com
Website: www.dbsbank.in
Contact Person: Mr. Gaurav Jain

Citi Bank (N.A)
Trent House, 2nd Floor,
C-60, Bandra Kurla Complex,
Next to Citi Center Building,
Bandra (East), Mumbai – 400 051.
Tel. No.: + 022 – 40015160/40015757
Fax No.: + 022 – 2653 2018
E-mail: amol.mahadik@citi.com
Website: www.citibank.co.in
Contact Person: Mr. Amol Mahadik

HDFC Bank
HDFC Bank House,
Senapati Bapat Marg,
Lower Parel (West),
Mumbai – 400 013.
Tel. No.: + 022 – 2490 2877/2496 2012
Fax No.: + 022 – 2496 0773
E-mail: deepakk.dubey@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Mr. Deepak Dubey

Yes Bank
Indiabulls Finance Centre,
Tower 2, 23rd Floor,

Senapati Bapat Marg,
Elphinstone (West),
Mumbai – 400 013.
Tel. No.: + 022 – 3366 9000
Fax No.: + 022 – 2421 4500
E-mail: vipin.saboo@yesbank.in
Website: www.yesbank.in
Contact Person: Mr. Vipin Saboo

LEGAL ADVISOR TO THE ISSUE

M/s. Kanga and Company
Advocates & Solicitors
Readymoney Mansion,
43, Veer Nariman Road,
Mumbai – 400 001.
Tel No: +91 22 6623 0000
Fax No: +91 22 6633 9656/6633 9657
Email: dhaval.vussonji@kangacompany.com
Contact person: Mr. Dhaval Vussonji

SYNDICATE MEMBERS

The Syndicate Member(s) will be appointed prior to filing the Red Herring Prospectus with RoC.

BANKERS TO THE ISSUE & ESCROW COLLECTION BANK

The Bankers to the Issue shall be appointed prior to filing of the Red Herring Prospectus with RoC.

REFUND BANKER TO THE ISSUE

The Refund Banker(s) shall be appointed prior to filing of the Red Herring Prospectus with RoC.

SELF CERTIFIED SYNDICATE BANKS

The SCSBs are as per the updated list available on SEBI's website at www.sebi.gov.in Investors are requested to refer the SEBI website for updated list of SCSBs and their designated branches.

STATEMENT OF RESPONSIBILITIES

ICICI Securities Limited and SBI Capital Markets Limited are the BRLMs to the Issue and shall be responsible for the following activities:

Sr. No.	Activity	Responsibility	Coordination
1.	Capital structuring with relative components and formalities such as type of instruments, etc.	ICICI Securities, SBI Caps	ICICI Securities
2.	Due diligence of Company's operations/ management/ business plans/ legal etc. Drafting and design of Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus including memorandum containing salient features of the Prospectus. The	ICICI Securities, SBI Caps	ICICI Securities

	BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filings of the same. Drafting and approval of all statutory advertisements.		
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in (2) above including corporate advertisement, brochure etc.	ICICI Securities, SBI Caps	SBI Caps
4.	Appointment of intermediaries viz., Registrar(s), Printers, Escrow Collection Banks, Advertising Agency, etc.	ICICI Securities, SBI Caps	SBI Caps
5.	Preparation of roadshow presentation and FAQs	ICICI Securities, SBI Caps	SBI Caps
6.	International marketing strategy • Finalizing the list and division of investors for one to one meetings; • Finalizing the International road show schedule and the investor meeting schedules	ICICI Securities, SBI Caps	ICICI Securities
7.	Domestic institutions / banks / mutual funds marketing strategy • Finalise the list and division of investors for one to one meetings, institutional allocation in consultation with the Company; • Finalizing the Domestic road show schedule and investor meeting schedules	ICICI Securities, SBI Caps	SBI Caps
8.	Non-institutional and Retail Marketing of the Issue, which will cover *inter alia*: • Formulating marketing strategies, preparation of publicity budget; • Finalizing media and public relations strategy; • Finalizing centre for holding conferences for press and brokers, etc.; • Follow-up on distribution of publicity and Issue material including forms, the Prospectus and deciding on the quantum of Issue material; and • Finalizing collection centres	ICICI Securities, SBI Caps	ICICI Securities
9.	Finalisation of pricing in consultation with Company	ICICI Securities, SBI Caps	ICICI Securities
10.	Managing the book and coordination with Stock-Exchanges for Book building software, Bidding terminals and mock trading	ICICI Securities, SBI Caps	SBI Caps
11	Post Issue activities shall involve follow up steps including management of escrow accounts, co-ordinate non-institutional and institutional allocation (including Anchor Investor allocation), intimation of allocation and dispatch of refunds to bidders etc. The Post Issue activities for the Issue will involve	ICICI Securities, SBI Caps	SBI Caps

	essential follow up steps, which include the finalisation of basis of Allotment, dispatch of refunds, demat and delivery of shares, finalisation of listing and trading of instruments with the various agencies connected with the work such as the Registrar(s) to the Issue, Escrow Collection Banks and Self Certified Syndicate Banks and regular monitoring of investor grievances for redressal		

The selection of various agencies like the Bankers to the Issue, Escrow Collection Bank(s), Syndicate Members, Advertising agencies etc. will be finalized by our Company and the Selling Shareholders in consultation with the BRLMs.

Even if other intermediaries will handle any of these activities, the BRLMs shall be responsible for ensuring that these agencies fulfill their functions and enable it to discharge this responsibility through suitable agreements with our Company.

CREDIT RATING

This being an issue of Equity Shares, there is no requirement of credit rating for the Issue.

IPO GRADING

[●] has been appointed for grading this Issue. Details of IPO Grading along with the grading rationale will be incorporated before filing of the Red Herring Prospectus with RoC and will be made available for inspection at our Registered Office from [●] p.m to [●] p.m. on Business Days during the Bidding Period.

EXPERT OPINION

Except for the report of [●] in respect of IPO Grading of this Issue (a copy of which will be annexed to the Red Herring Prospectus as Annexure I), the Audit Reports of the Auditors of our Company on the restated financial information, and the Tax Benefit Statement by the Auditors of our Company included in this Draft Red Herring Prospectus, our Company has not obtained any expert opinions.

TRUSTEES

As this is an Issue of Equity Shares, the appointment of Trustees is not required.

APPRAISAL AND MONITORING AGENCY

The proposed funds requirement is not appraised by any Bank/Financial Institution. As the net proceeds of the Fresh Issue will be less than ₹ 5,000 Million, under the SEBI (ICDR) Regulations, 2009 it is not required that a monitoring agency be appointed by our Company.

However, as per the Clause 49 of the Listing Agreement to be entered into with the Stock Exchanges upon listing of the Equity Shares and in accordance with the Corporate Governance requirements, the Audit Committee of our Company would be monitoring the utilization of the Issue Proceeds.

Book Building Process

"Book Building" refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus, the Bid-cum-Application Forms. The Issue Price shall be determined by our Company in consultation with the BRLMs, after the Bid/Issue Closing Date. The principal parties involved in the Book Building Process are:

(1) our Company;

(2) the BRLMs;

(3) Syndicate Members who are intermediaries registered with SEBI or registered as brokers with the Stock Exchanges and eligible to act as Underwriters;

(4) Registrar to the Issue;

(5) Bankers to the Issue;

(6) SCSBs; and

(7) Registered Brokers

The Issue is being made through the Book Building Process, wherein 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. The allotment of Equity Shares to each Retail Individual Bidder shall not be less than minimum bid lot, subject to availability of Equity Shares in Retail Investor category, and the remaining available Equity Shares, if any, shall be allotted on proportionate basis. Our Company may, in consultation with the BRLMs, allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis at the Anchor Investor Allocation Price, out of which at least one-third shall be reserved for allocation to domestic Mutual Funds only. For further details, please see the section titled "*Issue Procedure*" beginning on page 461 of this DRHP. Allocation to Anchor Investors shall be on a discretionary basis subject to minimum number of two Anchor Investors. An Anchor Investor shall make a minimum Bid of such number of Equity Shares that the Bid Amount is at least ₹ 100 Million. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion.

Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. In the event that the demand from Mutual Funds is greater than [●] Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the Net QIB Portion, after excluding the allocation in the Mutual Fund Portion. However, in the event of under-subscription in the Mutual Fund Portion, the balance Equity Shares in the Mutual Fund Portion will be added to the Net QIB Portion and allocated to QIBs (including Mutual Funds) on a proportionate basis, subject to valid Bids at or above Issue Price.

Further, 100,000 Equity Shares shall be reserved for allocation on a proportionate basis to Eligible Employees, subject to valid Bids being received from them at or above the Issue Price. Any unsubscribed portion in Employee Reservation Category shall be added to the Net Issue to the public. Under-subscription, if any in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange.

QIBs and Non-Institutional Bidders can participate in the Issue only through the ASBA process. Retail Individual Bidders and Eligible Employees have the option of participating through the ASBA process or non-ASBA process at their discretion. Anchor Investors are not permitted to participate through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw nor lower the size of their Bids at any stage. The Retail Individual Bidder can revise their Bids during the Bidding/Issue Period and withdraw their Bids until finalization of the Basis of Allotment. For further details, see the sections titled "*Issue Structure*" and "*Issue Procedure*" beginning on pages 457 and 461 respectively.

Our Company will comply with the SEBI ICDR Regulations and any other ancillary directions issued by SEBI for the Issue. In this regard, our Company has appointed the BRLMs to manage the Issue and procure subscriptions to the Issue.

The Book Building Process is subject to change. Bidders are advised to make their own judgment about an investment through this process prior to submitting a Bid.

Steps to be taken by the Bidders for Bidding:

- Check eligibility for making a Bid. For further details, please see the section titled "*Issue Procedure*" beginning on page 461. Please note that all Bidders other than Anchor Investors are entitled to Bid via ASBA. In this regard, please refer to the section titled "*Issue Procedure*" beginning on page 461 of this DRHP.

- Ensure that you have an active demat account and the demat account details are correctly mentioned in the Bid cum-Application-Form or the ASBA Form, as the case may be;

- Ensure that the Bid-cum-Application Form or ASBA Form is duly completed as per the instructions given in the Red Herring Prospectus and in the respective forms;

- Except for Bids (i) on behalf of the Central or State Government and the officials appointed by the courts, and (ii) from the residents of the state of Sikkim (in accordance with to SEBI circular dated April 3, 2008), each of the Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details (as defined below) received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in active status; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. Applications in which the PAN is not mentioned will be rejected;

- Ensure the correctness of your Demographic Details, given in the Bid-cum-Application Form or ASBA Form, with the details recorded with your Depository Participant;

- Ensure the correctness of your PAN, beneficiary account number, DP ID and Client ID given in the Bid-cum-Application Form and the ASBA Form. Based on these parameters, the Registrar will obtain details of the Bidders from the Depositories including the Bidder's name and bank account number, among others;

- Bidders can submit their Bids through ASBA either by submitting ASBA Forms to (i) the members of the Syndicate, in the event of a Bid at any of the Syndicate ASBA Centres only; (ii) the SCSBs with whom the ASBA Account is maintained; or (iii) by submitting the ASBA Forms at the Broker Centres. Bids by ASBA Bidders to the SCSBs through physical ASBA will only be submitted at the Designated Branches. For further details please see "*Issue Procedure – Bid-cum-Application Form*" on page 461. ASBA Bidders should ensure that the specified bank accounts have adequate credit balance at the time of submission of the ASBA Form to the members of the Syndicate, sub-Syndicate or Registered Broker Centres or SCSB to ensure that their Bid is not rejected; and

- Bids by QIBs (excluding Anchor Investors) at any of the Syndicate ASBA Centres shall be submitted to the members of the Syndicate or to the Designated Branches of the SCSBs. Bids by QIBs (excluding Anchor Investors) through physical ASBA at any Bidding Centre other than a Syndicate ASBA Centre shall be submitted directly to the Designated Branches of the SCSBs. Bids by QIBs can be made by submitting applications at the Broker Centres.

Illustration of Book Building Process and the Price Discovery Process

(Investors should note that this example is solely for the purpose of illustration and is not specific to the Issue. This example also excludes Bidding by Anchor Investors)

Bidders can bid at any price within the price band. For instance, assuming a price band of ₹ 20 to ₹ 24 per share, an issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the Bidding Centres during the Bidding/Issue Period. The illustrative book as shown below indicates the demand for the shares of the issuer company at various prices and is collated from bids from various investors.

Bid Quantity	Bid Price (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, *i.e.* ₹ 22 in the above example. The issuer, in consultation with the book running lead managers, will finalise the issue price at or below such cut-off, *i.e.* at or below ₹ 22. All bids at or above the issue price and cut-off price are valid bids and are considered for allocation in the respective categories.

WITHDRAWAL OF THE ISSUE

Our Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right not to proceed with the Issue after the bidding and if so, the reason thereof shall be given as a public notice within 2 days of the closure of the Issue. The public notice shall be issued in the same newspapers where the pre-issue advertisement had appeared. The Stock Exchanges where the specified securities were proposed to be listed shall also be informed promptly.

If our Company withdraws the Issue after closure of bidding, we will be required to file a fresh draft offer document with the Securities and Exchange Board of India.

Bid/ Issue Programme

BID/ISSUE OPENS ON	[●]*
BID/ISSUE CLOSES ON	[●]

**Our Company and the Selling Shareholders in consultation with the BRLMs may consider participation by Anchor Investors. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Issue Opening Date.*
***Our Company and the Selling Shareholders in consultation with the BRLMs, may decide to close the Bidding for QIBs one day prior to the Bid/Issue Closing Date.*

Bids and any revision in Bids will be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time) during the Bidding Period as mentioned above at the Bidding centers mentioned in the Bid cum Application Form, or in the case of Bids submitted through ASBA, the designated branches of the SCSBs or to the Syndicate Member(s)/sub-syndicate members at the Synidcate ASBA Centres, **except that on the Bid/ Issue Closing Date, Bids excluding ASBA Bids shall be accepted only between 10.00 a.m. and 3.00 p.m.** (Indian Standard Time) and uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders; and (ii) 5.00 p.m. which may be extended up to such time as permitted by the Stock Exchanges in case of Bids by Retail Individual Bidders where the Bid Amount is up to ₹ 200,000. Due to limitation of time available for uploading the Bids on the Bid/ Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/ Issue Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Bid/ Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/ Issue Closing Date, as is typically experienced in IPOs, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation in the Issue. If such Bids are not uploaded, our Company and the Syndicate shall not be responsible. Bids will be accepted only on Working Days, *i.e.*, Monday to Friday (excluding any public holiday).

On the Bid/ Issue Closing Date, extension of time may be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders, after taking into account the total number of Bids received up to the closure of timings for acceptance of Bid-cum Application Forms as stated herein and reported by the BRLMs to the Stock Exchanges within half an hour of such closure.

Our Company reserves the right to revise the Price Band during the Bidding Period in accordance with SEBI ICDR Regulations. The Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. Subject to compliance with the immediately preceding sentence, the Floor Price can move up or down to the extent of 20% of the Floor Price as disclosed at least five days prior to the Bid/ Issue Opening Date and the Cap Price will be revised accordingly.

In case of revision in the Price Band, the Bidding Period will be extended for atleast 3 additional Working Days after revision of Price Band subject to the Bidding Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bidding Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the websites of the BRLMs and at the terminals of the Syndicate.

Underwriting Agreement

After the determination of the Issue Price and allocation of the Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through this Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLMs shall be responsible for bringing in the amount devolved in the event that their respective Syndicate Members do not fulfill their underwriting obligations. The Underwriting Agreement is dated [●].The underwriting shall be to the extent of the Bids uploaded, subject to Regulation 13 of the SEBI Regulations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC)

Name and Address of the Underwriters	Indicated Number of Equity Shares to be Underwritten	Amount Underwritten (₹ in Million)
[●]	[●]	[●]
[●]	[●]	[●]

The above mentioned amount is indicative underwriting and this would be finalized after determination of the Issue Price and actual allocation.

The Board of Directors (based on the certificates given by the Underwriters), confirm that the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriters are registered with SEBI or registered as brokers with the Stock Exchanges.

The Board of Directors, at their meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company. Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments.

Notwithstanding the table above, the BRLMs and the Syndicate Members shall be responsible for ensuring payment with respect to the Equity Shares allocated to the investors procured by them. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the final approval of the RoC after the Prospectus is filed with the RoC.

CAPITAL STRUCTURE

Our Equity Share capital, as at the date of filing of this Draft Red Herring Prospectus with SEBI, immediately prior to and after the proposed Issue is set forth below: -

(₹ in Million. Except share data)

		Aggregate Value at Face value	Aggregate Value at Issue Price
A	**AUTHORISED SHARE CAPITAL**		
	35,000,000 Equity Shares of ₹ 10/- each	350.00	[●]
B	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE**		
	21,765,600 Equity Shares of ₹ 10/- each	217.66	[●]
C	**PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**		
	[●] Equity Shares of ₹ 10/- each	[●]	[●]
	Comprising of: -		
	Fresh Issue of [●] Equity Shares	[●]	[●]
	Offer for Sale of upto 3,700,000 Equity Shares	[●]	[●]
	Of which:		
	(i) **Employee Reservation Portion**	[●]	[●]
	Upto 100,000 Equity Shares fully paid up		
	(ii) **Net Issue:**		
	QIB Portion of [●] Equity Shares shall be available for allocation	[●]	[●]
	Non-Institutional Portion of not less than [●] Equity Shares shall be available for allocation	[●]	[●]
	Retail Portion of not less than [●] Equity Shares shall be available for allocation	[●]	[●]
D	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE**		
	[●] Equity Shares of ₹ 10/- each	[●]	[●]
E	**SECURITIES PREMIUM ACCOUNT**		
	Before the Issue	289.63	
	After the Issue	[●]	

1. The Issue has been authorised by the Board of Directors of our Company at its meeting held on January 8, 2013 and by the shareholders of our Company at an Extra-Ordinary General Meeting held on February 2, 2013.

2. Out of the QIB Portion, five per cent shall be allocated for mutual funds. Further, the Company and the Selling Shareholders may consider participation by Anchor Investors for up to [●] Equity Shares in accordance with the SEBI ICDR Regulations at the Anchor Investor Issue Price of ₹ [●] per Equity Share, out of which at least one third shall be reserved for domestic Mutual Funds.

3. The Issue comprises an Offer for Sale upto 3,700,000 Equity Shares (aggregating upto [●] % of our post Issue Capital) by the Selling Shareholders. The maximum number of shares offered by the Selling Shareholders are detailed as follows:

Sr. No.	Name of the Selling Shareholder	Maximum Number of Shares Offered
1.	Mr. Vasant Laxminarayan Rathi	Upto 3,100,000 Shares
2.	Mr. Pradip Bhailal Shah	Upto 200,000 Shares
3.	Chandrakant Rathi Finance and Investment Company Private Limited	Upto 300,000 Shares
4.	Mr. Madhusudan Kabra	Upto 50,000 Shares
5.	Mr. Kishor Laxminarayan Rathi	Upto 50,000 Shares

4. The Equity Shares offered by the Selling Shareholders which have been held for a period of more than one year prior to the date of filing of this DRHP and, hence, are eligible for being offered for sale in the Issue.

5. ***Details of increase in Authorised Share Capital since incorporation***

The Authorized Share Capital of the Company at the time of incorporation was ₹ 200,000/- (Rupees Two Lac only) divided into 2,000 Equity Shares of ₹ 100/- (Rupees Hundred only) each. The following table gives the increase in the Authorised Share Capital post Incorporation of our Company: -

Sr. No.	Particulars of increase	Date of Shareholder's meeting	AGM/ EGM
1.	Increase in authorized share capital from ₹ 200,000 divided into 2,000 Equity Shares of ₹ 100/- each to ₹ 2,500,000/- divided into 25,000 Equity Shares of ₹100/- each	July 15, 1991	EGM
2.	Increase in authorized share capital from ₹ 25,00,000/- divided into 25,000 Equity Shares of ₹ 100/- each to ₹ 10,000,000/- divided into 100,000 Equity Shares of ₹100/- each	December 2, 1991	AGM
3.	Reorganization of authorized share capital from ₹ 10,000,000 divided into 100,000 Equity Shares of ₹100/- each to ₹ 10,000,000/- divided into 1,000,000 Equity Shares of ₹ 10/- each	April 21, 1992	EGM
4.	Increase in authorized share capital from ₹ 10,000,000/- divided into 1,000,000 Equity Shares of ₹ 10 each to ₹ 30,000,000/- divided into	April 21, 1992	EGM

Sr. No.	Particulars of increase	Date of Shareholder’s meeting	AGM/ EGM
	3,000,000 Equity Shares of ₹ 10/- each		
5.	Increase in authorized share capital from ₹ 30,000,000 divided into 3,000,000 Equity Shares of ₹ 10/- each to ₹ 40,000,000/- divided into 4,000,000 Equity Shares of ₹10/- each	September 24, 1993	AGM
6.	Increase in authorized share capital from ₹ 40,000,000 divided into 4,000,000 Equity Shares of ₹ 10 each to ₹ 60,000,000 divided into 6,000,000 Equity Shares of ₹10/- each	October 31, 1994	EGM
7.	Increase in authorized share capital from ₹ 60,000,000 divided into 6,000,000 Equity Shares of ₹ 10/- each to ₹ 80,000,000/- divided into 6,000,000 Equity Shares of ₹ 10/- each and 200,000/- Preference Shares of ₹ 100/- each	February 25, 2000	EGM
8.	Increase in authorized share capital from ₹ 80,000,000/- divided into 6,000,000 Equity Shares of ₹ 10/- each and 200,000 Preference Shares of ₹ 100/- each to ₹ 90,000,000/- divided into 6,000,000 Equity Shares of ₹ 10/- each and 300,000 Preference Shares of ₹ 100/- each	January 12, 2001	EGM
9.	Reclassification of authorized share capital from 6,000,000 Equity Shares of ₹ 10/- each and 300,000 Preference Shares of ₹ 100/- each to 9,000,000 Equity Shares of ₹ 10/- each	March 15, 2007	EGM
10.	Increase in authorized share capital from ₹ 90,000,000/- divided into 9,000,000 Equity Shares of ₹ 10 each to ₹ 150,000,000/- divided into 15,000,000 Equity Shares of ₹ 10 each	March 15, 2007	EGM
11.	Increase in authorized share capital from ₹ 150,000,000/- divided into 15,000,000 Equity Shares of ₹ 10/- each to ₹ 350,000,000/- divided into 35,000,000 Equity Shares of ₹ 10/- each	March 5, 2010	EGM

Notes to capital structure

1. ***Share capital history of our Company***

A. The following is the history of the Equity Share capital of our Company:

Date of allotment of Equity Shares	No. of Equity Shares Allotted	Face Value (₹)	Issue Price (₹)	Nature of consider-tion	Reasons for allotment	Cumulative no. of Equity Shares	Cumulative paid-up Equity Capital (₹)	Cumulative Share Premium (₹)
15th March, 1989	100	100	100	Cash	Subscribers to the Memorandum of Association	100	10,000/-	Nil
30th March, 1989	1,900	100	100	Cash	Preferential allotment	2,000	200,000/-	Nil
21st April, 1992	Equity shares of the Company with a face value of ₹ 100/- each were sub-divided into equity shares with a face value of ₹ 10/- each					20,000	200,000/-	Nil
31st March, 1993	1,646,800	10	10	Cash	Preferential allotment	1,666,800	16,668,000/-	Nil
31st March, 1994	2,124,800	10	10	Cash	Preferential allotment	3,791,600	37,916,000/-	Nil
31st March, 1994*	208,400	10	10	Shares issued against acquisition	Shares issued against acquisition/ takeover of business, assets and liabilities of M/s. Super Organic Research Laboratories	4,000,000	40,000,000/-	Nil
29th December 1994	800,000	10	50	Cash	Preferential allotment	4,800,000	48,000,000/-	32,000,000/-
29th March, 1996	530,000	10	30	Cash	Preferential allotment	5,330,000	53,300,000/-	42,600,000/-

Date of allotment of Equity Shares	No. of Equity Shares Allotted	Face Value (₹)	Issue Price (₹)	Nature of consider-tion	Reasons for allotment	Cumulative no. of Equity Shares	Cumulative paid-up Equity Capital (₹)	Cumulative Share Premium (₹)
11th November, 2002	(247,200)	10	50	Cash	Buyback of equity shares	5,082,800	50,828,000/-	32,712,000/-
14th November 2002	100,000	10	26	Cash	Allotment to ABL Employee Stock Option Trust	5,182,800	51,828,000/-	34,312,000/-
15th March, 2007**	5,182,800	10	NA	--	Bonus equity shares issued in the ratio of 1:1	10,365,600	103,656,000/-	10,825,000/-
18th March, 2010***	10,365,600	10	NA	--	Bonus equity shares issued in the ratio of 1:1	20,731,200	207,312,000/-	Nil
30th July, 2012****	697,800	10	290	Cash	Preferential allotment	21,429,000	214,290,000/-	195,384,000/-
30th November, 2012*****	336,600	10	290	Cash	Preferential allotment	21,765,600	217,656,000/-	289,632,000/-

Equity shares worth ₹ 2,084,000/- (Rupees Two million Eighty four Thousand only) were issued to the partners of erstwhile M/s. Super Organic Research Laboratories (“SORL**”) against its book value of ₹ 2,086,720/ (Rupees Two million Eighty Six Thousand Seven Hundred and Twenty only). The balance amount of book value being ₹ 2,720/- (Rupees Two Thousand Seven Hundred and Twenty only) was settled in cash.*

***5,182,800 bonus shares were issued to eligible shareholders in the ratio of 1:1 by way of capitalization of capital redemption reserves of ₹ 28,341,000/- and share premium account of ` 23,487,000/-.*

**** 10,365,600 bonus shares were issued to eligible shareholders in the ratio of 1:1 by way of capitalization of share premium account of ` 10,825,000/- and profit and loss account of Reserves and Surplus of ₹ 92,831,000/-.*

***** 679,900 and 17,900 Equity Shares allotted to Kotak Mahindra Trusteeship Services Limited A/c Kotak India Venture Fund I and one Mr. Jaimin Bhatt (Trustee of Kotak Employees Investment Trust) respectively pursuant to a Share Subscription And Shareholders Agreement dated June 22, 2012.*

******336,600 Equity Shares allotted to Kotak India Venture (Offshore) Fund pursuant to the aforesaid Share Subscription and Shareholders Agreement dated June 22, 2012.*

B. The following is the history of the preference share capital of our Company:

Date of the allotment of Preference Shares	No. of Preference Shares	Face Value (₹)	Issue Price (₹)	Nature of consider-tion	Reasons for allotment	Cumulative no. of Preference Shares	Cumulative paid-up Preference Capital (₹)	Cumulative Securities Premium (₹)
1st April, 2000	150,000	100	100	Cash	Alloment	150,000	15,000,000	Nil
26th May, 2000	50,000	100	100	Cash	Further Alloment	200,000	20,000,000	Nil
January 31, 2001	58,690	100	100	Cash	Further Alloment	258,690	25,869,000	Nil

The Preference Shares of the Company have been redeemed vide Board Resolution dated March 13, 2003, therefore, as on date, the Company does not have any outstanding Preference Shares. Further, the Company had duly complied with section 80 of the Companies Act, 1956 and had formed a capital redemption reserve for redemption of the abovementioned Preference Shares.

2. ***Equity Shares issued for consideration other than cash***

Other than three issues made by us, details of which are set out in the table below, we have made no issues of shares for consideration other than cash:

Date of the allotment	**No. of Equity Shares**	**Issue Price (In ₹)**	**Reasons for allotment**	**Benefits accruing to the Company**	**Persons to whom the allotment were made**
31st March, 1994	208,400		Shares issued against takeover of M/s Super Organic Research Laboratories ("**SORL**")	The equity shares were issued in consideration for the takeover of business, assets and liabilities of SORL	(i) Mr. B. B Bajaj; (ii) Mr. K.C Rathi; (iii) Mr. Kishor Rathi; (iv) Mr. Chandrakant Laxminarayan Rathi; (v) Mr. M.M Kabra;Mrs. Fulabhai Rathi; (vi) C.L Rathi (HUF); and (vii) K.L Rathi (HUF).
15th March, 2007	5,182,800		Bonus issue of Equity shares in the ratio 1:1 by way of capitalization of capital redemption reserves of ` 28,341,000/- and share premium account of ₹ 23,487,000/-	NIL	Shareholders as on 15th March, 2007
18th March, 2010	10,365,600		Bonus issue of Equity shares in the ratio 1:1 by way of capitalization of share premium account of ₹ 10,825,000/- and profit and loss account of ₹ 92,831,000/-	NIL	Shareholders as on 15th March, 2010

3. Till date no Equity Shares have been allotted by our Company pursuant to any scheme approved under section 391-394 of the Companies Act, 1956.

4. ***Build-up of Promoters' capital, Promoter's contribution and lock-in***

a) History of Equity Share capital held by the Promoters:

Date of Allotment/ Transfer and Date when made fully paid-up	No. of Equity Shares Offered/Transferred	Cumulative No. of Equity Shares	Face Value (₹)	Offer / Acquisition Price (₹)	Consider-ation	Nature of Transaction	%age of Pre-Issue Paid-up Capital	%age of Post -Issue Paid-up Capital
Mr. Vasant Laxminarayan Rathi								
31st March, 1993*	8,82,100	8,82,100	10	10	Cash	Allotment	4.05%	**[●]**
31st March, 1994	10,85,300	19,67,400	10	10	Cash	Allotment	9.04%	**[●]**
11th October, 1994*	(6,40,100)	13,27,300	10	10	Cash	1. Transfer to Chandrakant Rathi Finance and Investment Company Pvt. Ltd – 48,100 2. Super Biochemicals Private Limited – 5,87,000 3. Ms. Gunvanti Shah – 2,500 4. Mr. Suresh Shah – 2,500	6.10%	**[●]**

29th December, 1994*	1,93,600	15,20,900	10	50	Cash	Allotment	6.99%	[●]
30th December, 1994*	(20,000)	15,00,900	10	10	Cash	Transfer to Unit Trust of India	6.90%	[●]
29th March, 1996	2,00,000	17,00,900	10	30	Cash	Allotment	7.81%	[●]
7th August, 1998*	12,700	17,13,600	10	10	Cash	Transfer from Mr. Aziz Kherani and Ms. Farida Kherani	7.87%	[●]
20th July, 2000*	43,700	17,57,300	10	10	Cash	Transfer from Mr. Ramesh Shah	8.07%	[●]
3rd May, 2001*	62,600	18,19,900	10	10	Cash	Transfer from Cal India Foods International	8.36%	[●]
24th May, 2003*	4,58,300	22,78,200	10	10	Cash	Transfer from Unit Trust of India	10.47%	[●]
15th March, 2007*	(25,000)	22,53,200	10	NA	NA	Transfer to Mr. Mukund Kabra (Gift)	10.35%	[●]
15th March, 2007	22,53,200	45,06,400	10	NA	NA	Bonus Issue in the ratio 1:1	20.70%	[●]

17th August, 2009	(35,000)	44,71,400	10	10	Cash	Transfer to 1. Mr. Mukund Kabra - 10,000 2. Mr. Piyush Rathi - 5,000 3. Mr. Anil Gupta - 10,000 4. Mr. Dipak Roda - 5,000 5. Mr. Beni Rauka - 5,000	20.54%	**[●]**
18th March, 2010	44,71,400	89,42,800	10	NA	NA	Bonus Issue in the ratio 1:1	41.09%	**[●]**
22nd October, 2012	(55,900)	88,86,900	10	NA	NA	Transfer to Mr. Mukund Kabra on behalf of ABL Employees Stock Option Trust (Gift)	40.83%	**[●]**

February 4, 2013	(6,000)	88,80,900	10	NA	NA	Transfer to Mr. Mukund Kabra on behalf of ABL Employees Stock Option Trust (Gift)	40.80%	**[●]**
Total	**88,80,900****						**40.80%**	**[●]**

**Equity shares held jointly by Mr. Vasant Laxminarayan Rathi and Mrs. Prabha. V. Rathi*

*** Out of these shares, 15,00,000 Equity Shares are being held by Mr. Vasant Rathi on behalf of Vasant and Prabha Rathi Generation Trust*

Date of Allotment/ Transfer and Date when made fully paid-up	**No. of Equity Shares Offered/Transferred**	**Cumulative No. of Equity Shares**	**Face Value (₹)**	**Offer / Acquisition Price (₹)**	**Consider-ation**	**Nature of Transaction**	**%age of Pre-Issue Paid-up Capital**	**%age of Post -Issue Paid-up Capital**
Mr. Chandrakant Laxminarayan Rathi								
31st March, 1993**	67,000	67,000	10	10	Cash	Allotment	0.31%	**[●]**
31st March, 1994	1,26,600	1,93,600	10	10	Shares issued against takeover of SORL	Allotment	0.89%	**[●]**
5th September 1994**	8,400	2,02,000	10	10	Cash	Transfer from Mr. Madhubai Rathi	0.93%	**[●]**

11th October 1994**	(1,65,400)	36,600	10	10	Cash	Transfer to Chandrakant Rathi Finance and Investment Company Private Limited	0.17%	**[●]**
11th October 1994**	(36,600)	Nil	10	10	Cash	Transfer to Chandrakant Rathi Finance and Investment Company Private Limited	0.00%	**[●]**
5th September 1997**	500	500	10	10	Cash	Transfer from Ms. Kalpana Deshmukh and Mr. Rajendra Deshmukh	0.00%	**[●]**
22nd June, 2005	800	1,300	10	10	Cash	Transfer from Mrs. Alka Maheshwari	0.01%	**[●]**
15th March, 2007	1,300	2,600	10	NA	NA	Bonus Issue in the ratio 1:1	0.02%	**[●]**
18th March, 2010	2,600	5,200	10	NA	NA	Bonus Issue in the ratio 1:1	0.02%	**[●]**
Total	**5,200**						**0.02%**	**[●]**

***Equity shares held jointly by Mr. Chandrakant Laxminarayan Rathi and Mrs. Savita Rathi*

b) Details of Promoters' contribution locked in for three years:

Our Promoters, Mr. Vasant Laxminarayan Rathi and Mr. Chandrakant Laxminarayan Rathi have by written undertakings dated March 27, 2013, granted their consent to include such number of their Equity Shares which may constitute 20% of the post-Issue Equity capital of the Company to be considered as Promoter's contribution which shall be locked-in for a period of three years from the date of Allotment of Equity Shares in the Issue ("**Promoters' Contribution**"), in accordance with Regulation 32 and 36 of the SEBI ICDR Regulations. All the Equity Shares held by our Promoters are eligible for Promoters' Contribution.

Our Promoters, Mr. Vasant Laxminarayan Rathi and Mr. Chandrakant Laxminarayan Rathi have by their written undertakings dated March 27, 2013, agreed not to sell or transfer or pledge or otherwise dispose off in any manner, the Equity Shares forming part of the Promoters' Contribution from the date of filing of this DRHP until the commencement of the lock-in period specified above.

The Equity Shares which are being locked in for three years from the date of Allotment are as follows:

Promoters	No. of Equity Shares Locked in	Face Value (₹)	Date of Acquisition and when made fully paid-up	Nature of Allotment/ Transfer	Consideration (Cash/other than cash)	Percentage of post- Issue paid-up capital
Mr. Vasant Laxminarayan Rathi	[●]	10	[●]	[●]	[●]	[●]
Mr. Chandrakant Laxminarayan Rathi	[●]	10	[●]	[●]	[●]	[●]

The figures to be provided in this table shall be finalised upon determination of the Issue Price and the number of Equity Shares to be issued in the Issue, consequent to the Book Building Process. Please refer to Point 5(a) above - "History of Equity Share capital held by the Promoters" for the build-up of share capital of Mr. Vasant Laxminarayan Rathi and Mr. Chandrakant Laxminarayan Rathi.

The Equity shares that are being locked-in are eligible for computation of Promoter's Contribution under Regulation 33 of the SEBI ICDR Regulations. In this connection, as per Regulation 33 of the SEBI ICDR Regulations, our Company confirms that the Equity Shares locked-in do not consist of:

(i) Equity Shares acquired during the preceding three years for consideration other than cash and revaluation of assets or capitalization of intangible assets or bonus shares out of revaluations reserves or unrealised profits or bonus shares of shares which are otherwise ineligible for computation of Promoters' Contribution;

(ii) Equity Shares acquired during the preceding one year, at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;

(iii) Equity Shares issued to the Promoters upon conversion of a partnership firm;

(iv) Equity Shares held by the Promoters that are subject to any pledge; and

(v) Equity Shares for which specific written consent has not been obtained from the respective shareholders for inclusion of their subscription in the Promoters' Contribution subject to lock-in.

The minimum Promoters' Contribution shall be brought in to the extent of, not less than the specified minimum lot and from the persons defined as "*Promoters*" under the SEBI ICDR Regulations.

Details of share capital locked in for one year

Other than the above Equity Shares that would be locked in for 3 years, the entire pre-Issue capital of our Company would be locked-in for a period of 1 year from the date of Allotment in the Issue pursuant to Regulation 36(b) and Regulation 37 of the SEBI ICDR Regulations, save and except the 333,300 Equity Shares issued by the Company under ESOP 2002, as enumerated below: -

The Company had instituted an employee stock option plan, namely the ABL – Employee Stock Option Scheme ("**ESOP 2002**") pursuant to a resolution of the Board of Directors dated May 7, 2002 and resolution of the shareholders in Annual General Meeting dated June 4, 2002. The objective of ESOP 2002 was employee engagement and long term retention by providing employees of the Company an opportunity to participate in the Company's anticipated valuation enhancement by contributing to superior performance and shareholder returns. The total number of options that were granted under ESOP 2002 was 1,00,000 (One option equivalent to 1 Equity Share of the Company) commencing from year FY 2003. Vesting of the granted options was spread over a period of four years in the ratio of 10%, 20%, 30% and 40%. The Company granted options during the Fiscal 2003, Fiscal 2004, Fiscal 2005, Fiscal 2007 and Fiscal 2010.

The Company undertook a bonus issue of Equity Shares in the ratio of one Equity Share for every one Equity Share held on March 15, 2007 and then again in same ratio on March 18, 2010. As on the date of this DRHP, there are no options unvested under the Scheme. The following table sets forth the particulars of the options granted under ESOP 2002 as on the date of filing of the Draft Red Herring Prospectus:

Particulars	Details
Options granted	1,00,000 options, out of which: • 24,000 were issued in Fiscal 2003; • 25,400 were issued in Fiscal 2004; • 29,000 were issued in Fiscal 2005; • 21,600 were issued in Fiscal 2007 (4800 of these were from lapsed options) • 3,350 were issued in Fiscal 2010, out of lapsed options
Options vested (excluding the options that have been exercised)	1,00,000
Options exercised	1,00,000
The total number of Equity Shares arising as a result of exercise of options (including options that have been exercised)	1,00,000
Options forfeited / lapsed / cancelled	Option lapsed and granted back as per Scheme were 8,150 over Fiscal 2007 and Fiscal 2010
Quantum of options	One option is equivalent to 1 Equity Share of the Company.
Money realised by exercise of options	₹ 2.60 Million
Total number of options in force	Nil
Person wise details of options granted to	
(i) Directors and senior managerial personnel	Please see Note 1 below
(ii) Any other employee who received a grant in any one year	Please see Note 2 below

Particulars		Details
	of options amounting to 5% or more of the options granted during the year	
(iii)	Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil
Vesting Schedule		Please see Note 3 below
Lock-in		One year from the date of exercise as all options got excercised by FY 2010 therfore one year lock in period already expired.
Impact on profits and on EPS of the last three years if the Company had followed accounting policies specified in clause 13 of the SEBI ESOP Guidelines in respect of options granted in the last three years		Impact on profit for the last three years : NIL * Impact on EPS for the last three years : NIL * '* The Company allotted 100000 equity shares to ABL Employee Stock Option Trust ("the Trust") on 14.11.2002 and shares got transferred to respective employees on vesting and exercise over a period of time. The Trust also got bonus shares on option lapsed, out of which 3,350 shares were reissued in FY 2010. This issuance did not impact the profit or EPS of the company on account of being issued out of lapsed options
Intention of the holders of Equity Shares allotted on exercise of options to sell their Equity Shares within three months after the listing of Equity Shares pursuant to the Issue		Employees holding Equity Shares at the time of listing of the Equity Shares pursuant to the Issue, may at their own discretion sell the Equity Shares issued in connection with the exercise of options granted under ESOP 2002 within a period of three months from the date of listing of the Equity Shares.
Intention to sell Equity Shares arising out of ESOP 2002 within three months after the listing of Equity Shares by Directors, senior management personnel and employees having Equity Shares arising out of the ESOP 2002, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)		Not Applicable, as Company has not granted equity shares arising out of options under ESOP 2002 amounting to more than 1% of issued capital of the Company.

Note 1: Details regarding employee stock options granted to Directors and senior managerial personnel under ESOP 2002 are set forth below:

Name of Director/ Key Management Personnel	Total no. of options granted	No. of options exercised	Total no. of options outstanding	Total No. of Equity Shares held
Mrs. Savita Rathi	4,500	4,500	Nil	73,200
Mr. Mukund Kabra	14,500	14,500	Nil	3,81,100*
Mr. Beni Prasad Rauka	7,000	7,000	Nil	48,000
Mr. Dipak Roda	2,850	2,850	Nil	26,400
Ms. Mangala Kabra	6,000	6,000	Nil	1,17,120

Name of Director/ Key Management Personnel	Total no. of options granted	No. of options exercised	Total no. of options outstanding	Total No. of Equity Shares held
Mr. Kishor Laxminarayan Rathi	6,000	6,000	Nil	2,83,200
Dr. Anil Gupta	6,000	6,000	Nil	49,000

**900 Equity Shares are held on behalf of ABL Employees Stock Option Trust*

Note 2: Details of employees who received a grant in any one year of options amounting to 5% or more of the options granted during the year under ESOP 2002 are set forth below:

Name of the Employee	Year				
	2002-03	2003-04	2004-05	2006-07	2009-10
Ms. Savita Rathi	1,500	1,500	1,500	-	-
% of total Option granted during the year	6.25%	5.91%	5.17%	-	-
Mr. Mukund Kabra	1,500	1,500	1,500	10,000	-
% of total Option granted during the year	6.25%	5.91%	5.17%	37.88%	-
Ms. Mangala Kabra	1,500	1,500	1,500	1,500	-
% of total Option granted during the year	6.25%	5.91%	5.17%	5.68%	-
Dr. Anil Gupta	1,500	1,500	1,500	1,500	-
% of total Option granted during the year	6.25%	5.91%	5.17%	5.68%	-
Mr. Kishor Laxminarayan Rathi	1,500	1,500	1,500	1,500	-
% of total Option granted during the year	6.25%	5.91%	5.17%	5.68%	-
Mr. Narayan. Y. Patil	1,300	1,300	1,500	-	-
% of total Option granted during the year	5.42%	5.12%	5.17%	-	-
Mr. G.C.Gore	1,300	-	-	-	-
% of total Option granted during the year	5.42%	-	-	-	-
Mr. Sandeep Chaudhari	1,200	-	-	-	-
% of total Option granted during the year	5.00%	-	-	-	-
Mr. Beni Prasad Rauka	-	3,000	1,500	-	2,500
% of total Option granted during the year	-	11.81%	5.17%	-	74.62%
Ms. Saylee Samir Pradhan	-	1,500	1,500	-	-
% of total Option granted during the year	-	5.91%	5.17%	-	-
Ms.Shilpa Risbud	-	1,500	1,500	-	-
% of total Option granted during the year	-	5.91%	5.17%	-	-
Mr. S.Rao	-	-	1,500	-	-
% of total Option granted during the year	-	-	5.17%	-	-

Mr. Dipak Roda	-	-	-	2,000	850
% of total Option granted during the year	-	-	-	7.58%	25.38%
Mr. Bhaskar Manolkar	-	-	-	1,500	-
% of total Option granted during the year	-	-	-	5.68%	-

The total number of options granted are 1,08,150 including 8,150 options re-granted on account of lapsed option grants including bonus shares on lapsed option grants issued by the company in Fiscal 2010.

Note 3: The vesting schedule for the options granted under ESOP 2002 was as follows:

- ***Vesting schedule for the options granted under ESOP 2002***

Vesting period from the date of grant of options	Percentage of options (%)
- on grant within 3 months	10
- on completion of 12 months	20
- on completion of 24 months	30
- on completion of 36 months	40

Details of the share holding of present Employees under the ESOP Scheme:

Employee Name	ESOP shares	ESOP shares including two 1:1 bonus issuances	Total Number of Shares held as on February 28, 2013	Eligible Shares arising out of ESOP 2002, exempt from lock in
Ms. Savita Rathi	4,500	18,000	73,200	18,000
Mr. Mukund Kabra	14,500	58,000	3,81,100*	58,000
Ms. Mangala Kabra	6,000	24,000	1,17,120	24,000
Dr. Anil Gupta	6,000	24,000	49,000	24,000
Mr. Kishor Laxminarayan Rathi	6,000	24,000	2,83,200	24,000
Mr. Beni Prasad Rauka	7,000	28,000	48,000	28,000
Ms. Saylee Samir Pradhan	4,000	16,000	17,000	16,000
Ms. Shilpa Risbud	3,900	15,600	15,600	15,600
Mr. Dipak Roda	2,850	11,400	26,400	11,400
Mr. Bhaskar Manolkar	2,500	10,000	10,500	10,000
Mr. A S Ambulgekar	3,100	12,400	14,000	12,400
Mr. Atul Biyani	2,900	11,600	10,180	10,180
Mr. Bireshwar Das Gupta	2,500	10,000	10,800	10,000
Mr. Manik Babu Salunke	390	1,560	1,560	1,560
Mr. Mushtaq Sheikhlal Patel	790	3,160	1,160	1,160

Employee Name	ESOP shares	ESOP shares including two 1:1 bonus issuances	Total Number of Shares held as on February 28, 2013	Eligible Shares arising out of ESOP 2002, exempt from lock in
Mr. Pradip Bhonsale	2,900	11,600	12,800	11,600
Mr. Prashant Bhavsar	2,600	10,400	11,900	10,400
Mr. R. N. Newase	2,700	10,800	9,400	9,400
Mr. Satish Pagar	3,800	15,200	16,700	15,200
Mr. Subhash D. Chakor	2,800	11,200	12,800	11,200
Mr. Vincent Alex Dias	2,800	11,200	13,600	11,200
TOTAL	**84,530**	**3,38,120**	**11,46,220**	**3,33,300**

**900 Equity Shares are held on behalf of ABL Employees Stock Option Trust*

Other requirements in respect of lock-in

Pursuant to Regulation 39 of the SEBI ICDR Regulations, the locked-in Equity Shares held by the Promoters, as specified above, can be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such scheduled commercial banks or public financial institution, provided that the pledge of the Equity Shares is one of the terms of the sanction of the loan.

Provided that securities locked in as Promoters' Contribution for 3 years under Regulation 36(a) of the SEBI ICDR Regulations may be pledged only if, in addition to fulfilling the above requirement, the loan has been granted by such scheduled commercial bank or public financial institution for the purpose of financing one or more of the objects of the Issue.

Pursuant to Regulation 40 of the SEBI ICDR Regulations, Equity Shares held by the Promoters may be transferred to and amongst the Promoters, the Promoter Group or to new promoters or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code.

Further, pursuant to Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in as per Regulation 37 of the SEBI ICDR Regulations, along with the Equity Shares proposed to be transferred, provided that lock-in on such Equity Shares will continue for the remaining period with the transferee and such transferee shall not be eligible to transfer such Equity Shares till the lock-in period stipulated under the SEBI ICDR Regulations has ended, subject to compliance with the Takeover Code, as applicable.

In terms of Schedule XI of the SEBI ICDR Regulations, the Equity Shares, if any, allotted to Anchor Investors shall be locked in for a period of 30 days from the date of Allotment of such Equity Shares.

5. ***Build-up of Selling Shareholders' capital in the Company:***

   The Selling Shareholders are (i) Mr. Vasant Laxminarayan Rathi; (ii) Mr. Pradip Bhailal Shah; (iii) Chandrakant Rathi Investment and Finance Company Private Limited; (iv) Mr. Madhusudan Kabra and (v) Mr. Kishor Laxminarayan Rathi. As regards the capital build-up of Mr. Vasant Laxminarayan Rathi, please see Point 5 above on "*Build-up of Promoters' capital, Promoter's contribution and lock-in*". The capital build-up of the rest of the Selling Shareholders is as below:

Date of Allotment/ Transfer and Date when made fully paid-up	Maximum No. of Equity Shares Offered/Transferred	Cumulative No. of Equity Shares	Face Value (₹)	Offer / Acquisition Price (₹)	Consider-ation	Nature of Transaction	%age of Pre-Issue Paid-up Capital	%age of Post -Issue Paid-up Capital
Mr. Pradip Bhailal Shah								
31st March, 1994	1,56,200	1,56,200	10	10	Cash	Allotment	0.72%	**[●]**
29th December, 1994	56,500	2,12,700	10	50	Cash	Allotment	0.98%	**[●]**
15th March, 2007	2,12,700	4,25,400	10	NA	NA	Bonus Issue in the ratio of 1:1	1.95%	**[●]**
18th March, 2010	4,25,400	8,50,800	10	NA	NA	Bonus Issue in the ratio of 1:1	3.91%	**[●]**
February 28, 2013	(50,000)	8,00,800	10	NA	NA	Transferred to Mr. Rajendra Bhailal Shah (Gift)	3.68%	**[●]**
March 8, 2013	(50,000)	7,50,800	10	NA	NA	Transferred to Mrs. Hemlata Bhailal Shah	3.45%	**[●]**
Total		**7,50,800**					**3.45%**	**[●]**

Date of Allotment/ Transfer and Date when made fully paid-up	No. of Equity Shares Offered/Transferred	Cumulative No. of Equity Shares	Face Value (₹)	Offer / Acquisition Price (₹)	Consider-ation	Nature of Transaction	%age of Pre-Issue Paid-up Capital	%age of Post -Issue Paid-up Capital
Chandrakant Rathi Finance and Investment Company Private Limited								

October 11, 1994	9,75,700	9,75,700	10	10	Cash	Transfer[1]	4.48%	**[●]**
December 29, 1994	5,200	9,80,900	10	50	Cash	Preferential allotment	4.51%	**[●]**
March 24, 1995	4,300	9,85,200	10	10	Cash	Transfer from Mr. Arun Padhye	4.53%	**[●]**
September 13, 1995	10,000	9,95,200	10	10	Cash	Transfer from Mr. Jagdish Patel and Mr. Kamala Patel	4.57%	**[●]**
September 18, 1996	600	9,95,800	10	10	Cash	Transfer from Mrs. Neeta Kelkar	4.58%	**[●]**
March 12, 1997	700	9,96,500	10	10	Cash	Transfer from Ms. Laxmiben Solanki and Mr. Gopalbhai Solanki	4.58%	**[●]**
March 5, 1999	(41,000)	9,55,500	10	10	Cash	Transfer to Topaz Trading Company Private Limited	4.39%	**[●]**
May 3, 2001	(10,000)	9,45,500	10	10	Cash	Transfer[2]	4.34%	**[●]**
May 24, 2001	32,000	9,77,500	10	10	Cash	Transfer from Unit Trust of India	4.49%	**[●]**

July 4, 2001	2,600	9,80,100	10	10	Cash	Transfer from Mrs. Renuka Shah, Mr. Maniraj Cheetri and Mr. Gopal Bhanushali	4.50%	**[●]**
November 20, 2001	2,000	9,82,100	10	10	Cash	Transfer from Mr. Nandlal Shetiya	4.51%	**[●]**
November 20, 2001	(48,200)	9,33,900	10	10	Cash	Transfer to Mr. Mukund Kabra and Mr. Kishor Rathi	4.29%	**[●]**
August 9, 2002	(1,500)	9,32,400	10	10	Cash	Transfer to Mr. Usha Katdare and Ms. Poonam Patwa	4.28%	**[●]**
November 21, 2006	(15,000)	9,17,400	10	10	Cash	Transfer to Mr. Mukund Kabra	4.21%	**[●]**
March 15, 2007	9,17,400	18,34,800	10	--	--	Bonus in the ratio 1:1	8.43%	**[●]**
June 23, 2008	(25,700)	18,09,100	10	10	Cash	Transfer to Sri Sri Ravi Shankar Trust	8.31%	**[●]**
September 15, 2009	2,000	18,11,100	10	10	Cash	Transfer from Mr. Narayan Patil	8.32%	**[●]**
March 18, 2010	18,11,100	36,22,200	10	--	--	Bonus in the ratio 1:1	16.64%	**[●]**

August 1, 2011	(1,000)	36,21,200	10	100	Cash	Transfer to Ms. Vandana Sarda	16.64%	**[●]**
Total		**36,21,200**					**16.64%**	**[●]**

1 – Transfer from Mrs. Savita Rathi, Mr. Laxminarayan Rathi, Mr. Nirmala Hirve, Mr. Appasaheb Hirve, Mr. Sayaji Hirve, Mr. Laxman Kamble, Mr. Mahadev Hirve, Messrs Super Organic Research Laboratories, Rathi Papins Private Limited, Mr. Chandrakant Laxminarayan Rathi, Ms. Champabai Rathi, Mr. Kishor Rathi, Mr. Vasant Laxminarayan Rathi, Mr. Prabha Rathi, Mr. Balkrishna Bajaj, Mr. B.B Bajaj, Ms. Chandrabhaga Bajaj, Mr. K.C Rathi, Ms. Fulabai Rathi and Mr. K.L Rathi.

2 – Transfer to Mr. Sakharam Remje, Mr. Prabhakar Shinde, Mr. Jitendra Pawar, Mr. Manik Salunke, Ms. Geetha Ramchandran, Ms. Vaishali Patil, Ms. Subbalaxmi Ayyar, Mr. Mushtaque Patel, Mr. Nandkumar Kshirsagar, Mr. Arun Baith, Mr. Tushar Deshmukh, Mr. Vincent Dias, Ms. Shilpa Risbud, Ms. Saylee Pradhan, Mr. KC Sangeeth Mohan, Mr. Narendra Tejwani, Mr. Narayan Patil, Mr. Sandeep Chaudhari, Mr. Beni Prasad Rauka and Mr. Rajkamal Varshney.

Date of Allotment/ Transfer and Date when made fully paid-up	No. of Equity Shares Offered/Transferred	Cumulative No. of Equity Shares	Face Value (₹)	Offer / Acquisition Price (₹)	Consider-ation	Nature of Transaction	%age of Pre-Issue Paid-up Capital	%age of Post -Issue Paid-up Capital
Mr. Madhusudan Kabra								
March 31, 1994	30,300	30,300	10	10	Cash	Preferential allotment	0.14%	**[●]**
December 20, 1994	3,000	33,300	10	50	Cash	Preferential allotment	0.15%	**[●]**
January 25, 2002	(3,000)	30,300	10	10	Cash	Transfer to Mr. Kishor Rathi	0.14%	**[●]**
November 11, 2002	(10,300)	20,000	10	50	Cash	Buy-back of equity shares	0.09%	**[●]**
March 15, 2007	20,000	40,000	10	--	--	Bonus in the ratio 1:1	0.18%	**[●]**
March 18, 2010	40,000	80,000	10	--	--	Bonus in the ratio 1:1	0.37%	**[●]**

February 18, 2013	2,000	82,000	10	50	Cash	Transfer from Mr. Rajendra Nivase	0.38%	**[●]**
Total			**82,000**				**0.38%**	**[●]**

Date of Allotment/ Transfer and Date when made fully paid-up	No. of Equity Shares Offered/Transferred	Cumulative No. of Equity Shares	Face Value (₹)	Offer / Acquisition Price (₹)	Consider-ation	Nature of Transaction	%age of Pre-Issue Paid-up Capital	%age of Post -Issue Paid-up Capital
Mr. Kishor Laxminarayan Rathi								
March 31, 1993	5,200	5,200	10	10	Cash	Preferential allotment	0.02%	**[●]**
March 31, 1994	33,000	38,200	10	10	Cash	Preferential allotment	0.18%	**[●]**
October 11, 1994	(38,200)	NIL	10	10	Cash	Transfer to Chandrakant Rathi Finance and Investment Company Private Limited	0.00%	**[●]**
May 11, 1998	200	200	10	10	Cash	Transfer from Mr. Radheshyam Ahuja and Ms. Neeta Ahuja	0.00%	**[●]**
September 16, 1998	900	1100	10	10	Cash	Transfer from Ms. Priti Bhandari	0.01%	**[●]**
May 18, 1999	1,300	2400	10	10	Cash	Transfer from Mr. Rajesh Mehta	0.01%	**[●]**
June 15, 1999	700	3,100	10	10	Cash	Transfer from Ms. Usha Hejmody	0.01%	**[●]**

June 15, 1999	500	3,600	10	10	Cash	Transfer from Mr. Vittal Hejmody	0.02%	**[●]**
July 2, 1999	200	3,800	10	10	Cash	Transfer from Mr. Dilip Shah	0.02%	**[●]**
July 2, 1999	100	3,900	10	10	Cash	Transfer from Mr. Bharat Shah	0.02%	**[●]**
July 2, 1999	200	4,100	10	10	Cash	Transfer from Mr. Nitin Shah	0.02%	**[●]**
July 2, 1999	100	4,200	10	10	Cash	Transfer from Mr. Shailesh Shah	0.02%	**[●]**
July 2, 1999	100	4,300	10	10	Cash	Transfer from Ms. Kalpana Shah	0.02%	**[●]**
April 10, 2000	1,500	5,800	10	10	Cash	Transfer from Mr. Nilesh Sikchi	0.03%	**[●]**
April 10, 2000	1,500	7,300	10	10	Cash	Transfer from Ms. Sonal Sikchi	0.03%	**[●]**
April 10, 2000	7,000	14,300	10	10	Cash	Transfer from Mr. Prakash Sikchi	0.07%	**[●]**
April 10, 2000	500	14,800	10	10	Cash	Transfer from Mr. Prakashchand Mehta	0.07%	**[●]**
November 30, 2000	500	15,300	10	10	Cash	Transfer from Ms. Gayatri V	0.07%	**[●]**
November 30, 2000	500	15,800	10	10	Cash	Transfer from Ms. Nalini Ramani	0.07%	**[●]**

January 16, 2001	500	16,300	10	10	Cash	Transfer from Mr. Lakhanlal Sahu	0.07%	**[●]**
January 16, 2001	1,000	17,300	10	10	Cash	Transfer from Ms. Narmadabai Sahu	0.08%	**[●]**
January 16, 2001	500	17,800	10	10	Cash	Transfer from Mr. Lakhanlal Sahu and Ms. Narmadabai Sahu	0.08%	**[●]**
March 8, 2001	300	18,100	10	10	Cash	Transfer from Ms. Alka Maheshwari	0.08%	**[●]**
March 19, 2001	500	18,600	10	10	Cash	Transfer from Ms. Sadhana Kamble	0.09%	**[●]**
March 19, 2001	100	18,700	10	10	Cash	Transfer from Ms. Leelavati Kamble	0.09%	**[●]**
March 19, 2001	900	19,600	10	10	Cash	Transfer from Ms. Nirmala Mutha	0.09%	**[●]**
March 19, 2001	500	20,100	10	10	Cash	Transfer from Ms. Swati Mutha	0.09%	**[●]**
March 19, 2001	500	20,600	10	10	Cash	Transfer from Mr. Premraj Mutha	0.09%	**[●]**
March 19, 2001	900	21,500	10	10	Cash	Transfer from Mr. Nileshkumar Mutha	0.10%	**[●]**
May 3, 2001	500	22,000	10	10	Cash	Transfer from Mr. Gautamkumar Zambad	0.10%	**[●]**

May 3, 2001	3,100	25,100	10	10	Cash	Transfer from Mr. Larry Schwartz	0.12%	**[●]**
July 4, 2001	500	25,600	10	10	Cash	Transfer from Ms. Alka Tipre	0.12%	**[●]**
July 4, 2001	300	25,900	10	10	Cash	Transfer from Mr. Sanathkumar Gujharati	0.12%	**[●]**
July 4, 2001	100	26,000	10	10	Cash	Transfer from Ms. Boranaonkar Indumati	0.12%	**[●]**
July 4, 2001	100	26,100	10	10	Cash	Transfer from Mr. Chandaliya Madanlal	0.12%	**[●]**
July 4, 2001	100	26,200	10	10	Cash	Transfer from Mr. Shirish Bhambare	0.12%	**[●]**
July 4, 2001	100	26,300	10	10	Cash	Transfer from Mr. Eknath Rode	0.12%	**[●]**
September 24, 2001	500	26,800	10	10	Cash	Transfer from Mr. Premraj Mutha	0.12%	**[●]**
September 24, 2001	300	27,100	10	10	Cash	Transfer from Ms. Swati Mutha	0.12%	**[●]**
November 20, 2001	38,200	65,300	10	10	Cash	Transfer from Chandrakant Rathi Finance and Investment Company Private Limited	0.30%	**[●]**

December 15, 2001	100	65,400	10	10	Cash	Transfer from Mr. Vilas Kamble	0.30%	**[●]**
January 25, 2002	1,100	66,500	10	10	Cash	Transfer from Ms. Mangala Kabra	0.31%	**[●]**
January 25, 2002	1,900	68,400	10	10	Cash	Transfer from Mr. Mukund Kabra	0.31%	**[●]**
January 25, 2002	3,000	71,400	10	10	Cash	Transfer from Mr. Madhusudan Kabra	0.33%	**[●]**
May 3, 2002	300	71,700	10	10	Cash	Transfer from Mr. Vimal Sikchi	0.33%	**[●]**
May 3, 2002	800	72,500	10	10	Cash	Transfer from Mr. Rameshchandra Sikchi	0.33%	**[●]**
May 24, 2003	15,000	87,500	10	10	Cash	Transfer from Unit Trust of India (A/c Vecaus - I)	0.40%	**[●]**
May 24, 2003	150	87,650	10	10	Cash	Transfer from ABL-Employee Stock Option Trust	0.40%	**[●]**
May 4, 2004	450	88,100	10	10	Cash	Transfer from ABL-Employee Stock Option Trust	0.40%	**[●]**
October 29, 2004	(200)	87,900	10	10	Cash	Transfer to Mr. Abhijeet Rathi	0.40%	**[●]**

May 9, 2005	900	88,800	10	10	Cash	Transfer from ABL-Employee Stock Option Trust	0.41%	**[●]**
May 3, 2006	1,350	90,150	10	10	Cash	Transfer from ABL-Employee Stock Option Trust	0.41%	**[●]**
March 15, 2007	1,200	91,350	10	10	Cash	Transfer from ABL-Employee Stock Option Trust	0.42%	**[●]**
March 15, 2007	91,350	1,82,700	10	NA	NA	Bonus Issue in the ratio 1:1	0.84%	**[●]**
August 25, 2008	1,800	1,84,500	10	10	Cash	Transfer from ABL-Employee Stock Option Trust	0.85%	**[●]**
November 29, 2008	(15,000)	1,69,500	10	--	--	Gift to Mr. Ankit Rathi	0.78%	**[●]**
November 29, 2008	(15,000)	1,54,500	10	--	--	Gift to Mr. Abhijit Rathi	0.71%	**[●]**
April 15, 2009	900	1,55,400	10	10	Cash	Transfer from ABL-Employee Stock Option Trust	0.71%	**[●]**
November 30, 2009	1,200	1,56,600	10	10	Cash	Transfer from ABL-Employee Stock Option Trust	0.72%	**[●]**
March 18, 2010	1,56,600	3,13,200	10	NA	NA	Bonus Issue in the ratio 1:1	1.44%	**[●]**
February 28, 2013	(15,000)	2,98,200	10	--	--	Gift to Abhijit Rathi	1.37%	**[●]**
February 28, 2013	(15,000)	2,83,200	10	--	--	Gift to Ankit Rathi	1.30%	**[●]**

Total	2,83,200	1.30%	[●]

6. ***The Promoter, Promoter Group, Directors of our Company and their relatives have not undertaken any transactions of Equity Shares during a period of six months preceding the date on which this Draft Red Herring Prospectus is filed with SEBI except as follows:***

Sr. No.	Name of Transferor	No. of Shares	Price per share (In ₹)	Name of Transferee	Date of Transaction
1.	Mr. Mukund Kabra (holding on behalf of the ABL Employees Stock Option Trust)	300	₹ 40 per Share	Mr. Nrupendra Tiwari	January 29, 2013
2.	Mr. Mukund Kabra (holding on behalf of the ABL Employees Stock Option Trust)	400	₹ 40 per Share	Mr. D.N Pande	December 20, 2012
3.	Mr. Mukund Kabra (holding on behalf of the ABL Employees Stock Option Trust)	400	₹ 40 per Share	Mr. K.V Bhavsar	November 29, 2012
4.	Mr. Mukund Kabra (holding on behalf of the ABL Employees Stock Option Trust)	400	₹ 40 per Share	Mr. K.S Patil	January 21, 2013
5.	Mr. Mukund Kabra (holding on behalf of the ABL Employees Stock Option Trust)	400	₹ 40 per Share	Mr. S.H Ajmire	December 20, 2012
6.	Mr. Mukund Kabra (holding on behalf of the ABL Employees Stock Option Trust)	400	₹ 40 per Share	Mr. J.D Kesawalekar	January 12, 2013
7.	Mr. Mukund Kabra (holding on behalf of the ABL Employees Stock Option Trust)	500	₹ 40 per Share	Mr. S.D Kapile	November 29, 2012
8.	Mr. Mukund Kabra (holding on behalf of the ABL Employees	500	₹ 40 per Share	Mr. Bhaskar Manolkar	November 29, 2012

	Stock Option Trust)				
9.	Mr. Mukund Kabra (holding on behalf of the ABL Employees Stock Option Trust)	500	₹ 40 per Share	Mr. Sagar Daga	December 20, 2012
10.	Mr. Mukund Kabra (holding on behalf of the ABL Employees Stock Option Trust)	500	₹ 40 per Share	Mr. Makarand Hinge	December 20, 2012
11.	Mr. Mukund Kabra (holding on behalf of the ABL Employees Stock Option Trust)	500	₹ 40 per Share	Mr. H.S Kadam	January 29, 2013
12.	Mr. Mukund Kabra (holding on behalf of the ABL Employees Stock Option Trust)	500	₹ 40 per Share	Mr. Manoj Pagare	December 20, 2012
13.	Mr. Mukund Kabra (holding on behalf of the ABL Employees Stock Option Trust)	500	₹ 40 per Share	Mr. A.N Patil	November 29, 2012
14.	Mr. Mukund Kabra (holding on behalf of the ABL Employees Stock Option Trust)	500	₹ 40 per Share	Mr. Pramod Kelapure	December 20, 2012
15.	Mr. Mukund Kabra (holding on behalf of the ABL Employees Stock Option Trust)	800	₹ 40 per Share	Mr. A.S Ambulgekar	November 29, 2012
16.	Mr. Mukund Kabra (holding on behalf of the ABL Employees Stock Option Trust)	800	₹ 40 per Share	Mr. B.D Gupta	December 20, 2012
17.	Mr. Mukund Kabra (holding on behalf of the ABL Employees Stock Option Trust)	800	₹ 40 per Share	Mr. S.D Chakor	November 29, 2012
18.	Mr. Mukund Kabra	800	₹ 40 per	Mr. N.M Varade	November 29,

	(holding on behalf of the ABL Employees Stock Option Trust)		Share		2012
19.	Mr. Mukund Kabra (holding on behalf of the ABL Employees Stock Option Trust)	800	₹ 40 per Share	Mr. A.I Biyani	November 29, 2012
20.	Mr. Mukund Kabra (holding on behalf of the ABL Employees Stock Option Trust)	1,000	₹ 40 per Share	Mr. C.G Wadnere	November 29, 2012
21.	Mr. Mukund Kabra (holding on behalf of the ABL Employees Stock Option Trust)	1,000	₹ 40 per Share	Mr. R.M Newase	November 29, 2012
22.	Mr. Mukund Kabra (holding on behalf of the ABL Employees Stock Option Trust)	1,000	₹ 40 per Share	Mr. Y. Sivashrinivasa Babu	November 29, 2012
23.	Mr. Mukund Kabra (holding on behalf of the ABL Employees Stock Option Trust)	1,200	₹ 40 per Share	Mr. Pradip Bhonsale	November 29, 2012
24.	Mr. Mukund Kabra (holding on behalf of the ABL Employees Stock Option Trust)	1,500	₹ 40 per Share	Mr. S.B Pagar	November 29, 2012
25.	Mr. Mukund Kabra (holding on behalf of the ABL Employees Stock Option Trust)	1,500	₹ 40 per Share	Mr. P.N Bhavsar	November 29, 2012
26.	Mr. Mukund Kabra (holding on behalf of the ABL Employees Stock Option Trust)	1,500	₹ 40 per Share	Mr. Animesh Bagchi	March 21, 2013
27.	Mr. Mukund Kabra (holding on behalf of the ABL Employees	5,000	₹ 40 per Share	Mr. Mukund Kabra	October 22, 2012

	Stock Option Trust)				
28.	Mr. Mukund Kabra (holding on behalf of the ABL Employees Stock Option Trust)	5,000	₹ 40 per Share	Dr. Anil Kumar Gupta	November 3, 2012
29.	Mr. Mukund Kabra (holding on behalf of the ABL Employees Stock Option Trust)	500	₹ 40 per Share	Ms. Vaishali Patil	November 3, 2012
30.	Mr. Mukund Kabra (holding on behalf of the ABL Employees Stock Option Trust)	500	₹ 40 per Share	Mr. Pankaj	November 3, 2012
31.	Mr. Mukund Kabra (holding on behalf of the ABL Employees Stock Option Trust)	500	₹ 40 per Share	Mr. Dipak Bagad	March 21, 2013
32.	Mr. Mukund Kabra (holding on behalf of the ABL Employees Stock Option Trust)	500	₹ 40 per Share	Ms. Subbalakshmi Ayyar	March 21, 2013
33.	Mr. Mukund Kabra (holding on behalf of the ABL Employees Stock Option Trust)	800	₹ 40 per Share	Ms. Shipla Risbud	March 21, 2013
34.	Mr. Mukund Kabra (holding on behalf of the ABL Employees Stock Option Trust)	1,000	₹ 40 per Share	Ms. Saylee Pradhan	November 3, 2012
35.	Mr. Mukund Kabra (holding on behalf of the ABL Employees Stock Option Trust)	1,200	₹ 40 per Share	Mr. Sunil Sharma	November 3, 2012
36.	Mr. Mukund Kabra (holding on behalf of the ABL Employees Stock Option Trust)	1,200	₹ 40 per Share	Mr. Arun Kumar	March 21, 2013
37.	Mr. Mukund Kabra	1,500	₹ 40 per	Mr. Sandeep	November 3,

	(holding on behalf of the ABL Employees Stock Option Trust)		Share	Bijamwar	2012
38.	Mr. Mukund Kabra (holding on behalf of the ABL Employees Stock Option Trust)	2,000	₹ 40 per Share	Mr. Shailesh Agarwal	November 3, 2012
39.	Mr. Mukund Kabra (holding on behalf of the ABL Employees Stock Option Trust)	5,000	₹ 40 per Share	Mr. Piyush Rathi	November 3, 2012
40.	Mr. Mukund Kabra (holding on behalf of the ABL Employees Stock Option Trust)	5,000	₹ 40 per Share	Mr. Dipak Roda	November 3, 2012
41.	Mr. Mukund Kabra (holding on behalf of the ABL Employees Stock Option Trust)	7,000	₹ 40 per Share	Mr. Beni Prrasad Rauka	November 3, 2012
42.	Mr. Mukund Kabra (holding on behalf of the ABL Employees Stock Option Trust)	300	NIL. Gift to employees of the Company	Mr. Chandra Prakash Das	March 21, 2013
43.	Mr. Mukund Kabra (holding on behalf of the ABL Employees Stock Option Trust)	400	NIL. Gift to employees of the Company	Mr. Keykane Somnath	March 21, 2013
44.	Mr. Mukund Kabra (holding on behalf of the ABL Employees Stock Option Trust)	300	NIL. Gift to employees of the Company	Mr. Manish Darade	March 21, 2013
45.	Mr. Mukund Kabra (holding on behalf of the ABL Employees Stock Option Trust)	500	NIL. Gift to employees of the Company	Mr. Hemant Kamalskar	March 21, 2013
46.	Mr. Mukund Kabra (holding on behalf of the ABL Employees	500	NIL. Gift to employees of the Company	Mr. Santosh Kasliwal	March 21, 2013

	Stock Option Trust)				
47.	Mr. Mukund Kabra (holding on behalf of the ABL Employees Stock Option Trust)	300	NIL. Gift to employees of the Company	Mr. Vinit Sohra	March 21, 2013
48.	Mr. Mukund Kabra (holding on behalf of the ABL Employees Stock Option Trust)	300	NIL. Gift to employees of the Company	Mr. Papish Chawda	March 21, 2013
49.	Mr. Mukund Kabra (holding on behalf of the ABL Employees Stock Option Trust)	500	NIL. Gift to employees of the Company	Mr. Mahesh Khare	March 21, 2013
50.	Mr. Mukund Kabra (holding on behalf of the ABL Employees Stock Option Trust)	500	NIL. Gift to employees of the Company	Mr. Sunil Firke	March 21, 2013
51.	Mr. Mukund Kabra (holding on behalf of the ABL Employees Stock Option Trust)	400	NIL. Gift to employees of the Company	Mr. Digambar Ingale	March 21, 2013
52.	Mr. Mukund Kabra (holding on behalf of the ABL Employees Stock Option Trust)	400	NIL. Gift to employees of the Company	Mr. C.N Ambedkar	March 21, 2013
53.	Mr. Mukund Kabra (holding on behalf of the ABL Employees Stock Option Trust)	100	NIL. Gift to employees of the Company	Mr. D.N Pande	March 21, 2013
54.	Mr. Mukund Kabra (holding on behalf of the ABL Employees Stock Option Trust)	100	NIL. Gift to employees of the Company	Mr. K.S Patil	March 21, 2013
55.	Mr. Mukund Kabra (holding on behalf of the ABL Employees Stock Option Trust)	100	NIL. Gift to employees of the Company	Mr. S.H Ajmire	March 21, 2013
56.	Mr. Mukund Kabra	100	NIL. Gift to	Mr. K.V Bhavsar	March 21,

	(holding on behalf of the ABL Employees Stock Option Trust)		employees of the Company		2013
57.	Mr. Mukund Kabra (holding on behalf of the ABL Employees Stock Option Trust)	500	NIL. Gift to employees of the Company	Mr. Mohan Patil	March 21, 2013
58.	Mr. Pradip Bhailal Shah	50,000	NIL. Transferred by way of gift	Mrs. Hemlata Bhailal Shah	March 8, 2013
59.	Mr. Pradip Bhailal Shah	50,000	NIL. Transferred by way of gift	Mr. Rajendra Bhailal Shah	February 28, 2013
60.	Mr. Vasant Laxminarayan Rathi	6,000	Nil*	Mr. Mukund Kabra (on behalf of the ABL Employees Stock Option Trust)	February 4, 2013
61.	Mr. Vasant Laxminarayan Rathi	55,900	Nil*	Mr. Mukund Kabra (on behalf of the ABL Employees Stock Option Trust)	October 22, 2012
62.	Atharva Capital Ventures Private Limited	17,000	300	Mr. Vishwas Mulki	August 6, 2012
63.	Atharva Capital Ventures Private Limited	17,000	300	Mrs. Apla Vishwas Mulki	September 27, 2012

55,900 and 6,000 Equity Shares gifted by Mr. Vasant Laxminarayan Rathi to Mr. Mukund Kabra (on behalf of the ABL Employee Stock Option Trust).

7. ***Our Company has issued Equity Shares to the following persons in the year preceding the date on which this Draft Red Herring Prospectus, which may be at a price lower than the Issue price***

Name of the Shareholder	Date of Issue	Whether belongs to Promoter	Number of Equity Shares	Face Value (in ₹)	Issue Price (in ₹)	Reasons for the Issue

		Group				
Kotak Mahindra Trusteeship Services Limited A/c Kotak India Venture Fund I	30th July, 2012	No	6,79,900	10	290	Private Equity Investment
Mr. Jaimin Bhatt as the Trustee of Kotak Employees Investment Trust	30th July, 2012	No	17,900	10	290	Private Equity Investment
Kotak India Venture (Offshore) Fund	30th November, 2012	No	3,36,600	10	290	Private Equity Investment

8. ***The list of shareholders of our Company and the Equity Shares held by them is as follows:***

a) Our top ten shareholders and the number of Equity Shares held by them as of the date of filing this Draft Red Herring Prospectus with SEBI, is as follows: -

Sr. No.	Name	No. of Equity Shares	Percentage of Pre-issue Equity Share capital	Percentage of Post-issue Equity Share capital
1.	Mr. Vasant Laxminarayan Rathi	8,880,900	40.80%	[•]
2.	Chandrakant Rathi Finance and Investment Company Private Limited	3,621,200	16.64%	[•]
3.	Atharva Capital Ventures Private Limited	2,492,940	11.45%	[•]
4.	Mrs. Prabha Rathi	1,283,600	5.90%	[•]
5.	Higuchi Inc.	873,600	4.01%	[•]
6.	Mr. Pradip Bhailal Shah	750,800	3.45%	[•]
7.	Kotak Mahindra Trusteeship Services Limited A/c Kotak India Venture Fund I	679,900	3.12%	[•]
8.	Mr. Mukund Madhusudan Kabra	381,100*	1.75%	[•]
9.	Kotak India Venture (Offshore) Fund	336,600	1.55%	[•]
10.	Mr. Kishor Laxminarayan Rathi	283,200	1.30%	[•]

Total	**19,583,840**	**89.98%**	

**900 Equity Shares are held on behalf of ABL Employees Stock Option Trust*

b) Our top ten shareholders and the number of Equity Shares held by them ten days prior to filing the DRHP with SEBI, is as follows:

Sr. No.	Name	No. of Equity Shares	Percentage (%)
1.	Mr. Vasant Laxminarayan Rathi	8,880,900	40.80%
2.	Chandrakant Rathi Finance and Investment Company Private Limited	3,621,200	16.64%
3.	Atharva Capital Ventures Private Limited	2,492,940	11.45%
4.	Mrs. Prabha Rathi	1,283,600	5.90%
5.	Higuchi Inc.	873,600	4.01%
6.	Mr. Pradip Bhailal Shah	750,800	3.45%
7.	Kotak Mahindra Trusteeship Services Limited A/c Kotak India Venture Fund I	679,900	3.12%
8.	Mr. Mukund Madhusudan Kabra	381,100*	1.75%
9.	Kotak India Venture (Offshore) Fund	336,600	1.55%
10.	Mr. Kishor Laxminarayan Rathi	283,200	1.30%
Total		**19,583,840**	**89.98%**

**900 Equity Shares are held on behalf of ABL Employees Stock Option Trust*

c) Our top ten shareholders and the number of Equity Shares held by them two years prior to date of filing of this Draft Red Herring Prospectus with SEBI is as follows:

Sr. No.	Name	No. of Equity Shares	Percentage (%)
1.	Mr. Vasant Laxminarayan Rathi	89,42,800	43.14%
2.	Chandrakant Rathi Finance and Investment Company Private Limited	36,22,200	17.47%
3.	Super Biochemicals Private Limited (now Atharva Capital Ventures Private Limited)	25,22,940	12.17%

Sr. No.	Name	No. of Equity Shares	Percentage (%)
4.	Mrs. Prabha V Rathi	12,83,600	6.19%
5.	Higuchi Inc.	8,73,600	4.21%
6.	Mr. Pradip Bhailal Shah	8,50,800	4.10%
7.	Mr. Mukund Madhusudan Kabra	3,75,200	1.81%
8.	Mr. Kishor Laxminarayan Rathi	3,13,200	1.51%
9.	Sri Sri Ravi Shankar Trust	2,35,400	1.14%
10.	Mr. Mangala Madhusudan Kabra	1,17,120	0.56%
Total		**1,91,70,860**	**92.31%**

d) The names of public shareholders holding more than 1% of pre-issue capital, number of equity shares held and percentage of the total pre and post issue capital as on the date of filing of this Draft Red Herring Prospectus:

Sr. No.	Name	Shares	Percentage of Pre-issue Equity Share capital	Percentage of Post-issue Equity Share capital
1.	Mr. Vasant Laxminarayan Rathi	88,80,900	40.80%	[•]
2.	Chandrakant Rathi Finance and Investment Company Private Limited	36,21,200	16.64%	[•]
3.	Atharva Capital Ventures Private Limited	2,92,940	11.45%	[•]
4.	Ms. Prabha Rathi	12,83,600	5.90%	[•]
5.	Higuchi Inc.	8,73,600	4.01%	[•]
6.	Mr. Pradip Bhailal Shah	7,50,800	3.45%	[•]
7.	Kotak Mahindra Trusteeship Services Limited A/c Kotak India Venture Fund – I	6,79,900	3.12%	[•]
8.	Mr. Mukund Madhusudan Kabra	3,81,100*	1.75%	[•]
9.	Kotak India Venture (Offshore) Fund	3,36,600	1.55%	[•]
10.	Mr. Kishor Laxminarayan Rathi	2,83,200	1.30%	[•]
11.	Sri Sri Ravi Shankar Trust	2,35,400	1.08%	[•]
Total		**1,98,19,240**	**91.06%**	[•]

**900 Equity Shares are held on behalf of ABL Employees Stock Option Trust*

e) Details of the shareholding of our Company as on the date of filing of this Draft Red Herring Prospectus:

The table below presents the shareholding pattern of our Company as on the date of filing of this Draft Red Herring Prospectus:

Category code	Category of shareholder	Number of shareholders	Pre-Issue				Post-Issue				Shares Pledged or otherwise encumbered	
			Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares		Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares			
					As a percentage of (A+B)	As a percentage of (A+B+C)			As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage
(A)	**Promoter and Promoter Group**											
(1)	**Indian**											
(a)	Individuals/ Hindu Undivided Family	14	547,320	415,320	2.51	2.51	[●]	[●]	[●]	[●]	[●]	[●]
(b)	Central Government/ State Government(s)	0	0	0	0	0	[●]	[●]	[●]	[●]	[●]	[●]
(c)	Bodies Corporate	4	6,114,140	6,106,140	28.10	28.10	[●]	[●]	[●]	[●]	[●]	[●]
(d)	Financial Institutions/ Banks	0	0	0	0	0	[●]	[●]	[●]	[●]	[●]	[●]
(e)	Any Other (specify)	0	0	0	0	0	[●]	[●]	[●]	[●]	[●]	[●]
	Sub-Total (A)(1)	**18**	**6,661,460**	**6,521,460**	**30.61**	**30.61**	[●]	[●]	[●]	[●]	[●]	[●]
(2)	**Foreign**											
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	2	1,0164,500	1,0164,500	46.70	46.70	[●]	[●]	[●]	[●]	[●]	[●]
(b)	Bodies Corporate	0	0	0	0	0	[●]	[●]	[●]	[●]	[●]	[●]
(c)	Institutions	0	0	0	0	0	[●]	[●]	[●]	[●]	[●]	[●]
(d)	Qualified Foreign Investor	0	0	0	0	0	[●]	[●]	[●]	[●]	[●]	[●]
(e)	Any Other (specify)	0	0	0	0	0	[●]	[●]	[●]	[●]	[●]	[●]
	Sub-Total (A)(2)	**2**	**10,164,500**	**10,164,500**	**46.70**	**46.70**	[●]	[●]	[●]	[●]	[●]	[●]
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**20**	**16,825,960**	16,685,960	**77.31**	**77.31**	[●]	[●]	[●]	[●]	[●]	[●]
(B)	**Public shareholding**											
(1)	**Institutions**											
(a)	Mutual Funds/ UTI	0	0	0	0	0	[●]	[●]	[●]	[●]	[●]	[●]
(b)	Financial Institutions/ Banks	0	0	0	0	0	[●]	[●]	[●]	[●]	[●]	[●]
(c)	Central Government/ State Government(s)	0	0	0	0	0	[●]	[●]	[●]	[●]	[●]	[●]
(d)	Venture Capital Funds	1	679,900	679,900	3.12	3.12	[●]	[●]	[●]	[●]	[●]	[●]
(e)	Insurance Companies	0	0	0	0	0	[●]	[●]	[●]	[●]	[●]	[●]
(f)	Foreign Institutional Investors	0	0	0	0	0	[●]	[●]	[●]	[●]	[●]	[●]
(g)	Foreign Venture Capital	0	0	0	0	0	[●]	[●]	[●]	[●]	[●]	[●]

Category code	Category of shareholder	Number of shareholders	Pre-Issue				Post-Issue				Shares Pledged or otherwise encumbered	
			Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares		Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares		Number of shares	As a percentage
					As a percentage of (A+B)	As a percentage of (A+B+C)			As a percentage of (A+B)	As a percentage of (A+B+C)		
	Investors											
(h)	Qualified Foreign Investor	0	0	0	0	0	[●]	[●]	[●]	[●]	[●]	[●]
(i)	Others:											
	1. JAIMIN BHATT on behalf of KOTAK EMPLOYEES INVESTMENT FUND	1	17,900	17,900	0.08	0.08	[●]	[●]	[●]	[●]	[●]	[●]
	2. KOTAK INDIA VENTURE (OFFSHORE) FUND	1	336,600	336,600	1.55	1.55						
	Sub-Total (B)(1)	**3**	**1034400**	**1034400**	4.75	4.75	[●]	[●]	[●]	[●]	[●]	[●]
(2)	**Non-institutions**											
(a)	Bodies Corporate	3	876,000	0	4.02	4.02	[●]	[●]	[●]	[●]	[●]	[●]
(b)	Individuals	468	2,793,840	1,991,260	12.84	12.84	[●]	[●]	[●]	[●]	[●]	[●]
(i)	Individual shareholders holding nominal share capital up to ₹ 1 lakh.	426	719,460	122,080	3.31	3.31	[●]	[●]	[●]	[●]	[●]	[●]
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	42	2,074,380	1,869,180	9.53	9.53	[●]	[●]	[●]	[●]	[●]	[●]
(c)	Qualified Foreign Investor	0	0	0	0	0	[●]	[●]	[●]	[●]	[●]	[●]
(d)	Any Other (specify) 1. SRI SRI RAVI SHANKAR TRUST	1	235,400	0	1.08	1.08	[●]	[●]	[●]	[●]	[●]	[●]
	Sub-Total (B)(2)	**472**	**3,905,240**	**1,991,260**	**17.94**	**17.94**	[●]	[●]	[●]	[●]	[●]	[●]
	Total (B)= (B)(1)+(B)(2)	**475**	**4,939,640**	**3025660**	**22.69**	**22.69**	[●]	[●]	[●]	[●]	[●]	[●]
	TOTAL (A)+(B)	**495**	**21,765,600**	**19,711,620**	**100**	**100**	[●]	[●]	[●]	[●]	[●]	[●]
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**											
(1)	Promoter and Promoter Group	0	0	0	0	0	[●]	[●]	[●]	[●]	[●]	[●]
(2)	Public	0	0	0	0	0	[●]	[●]	[●]	[●]	[●]	[●]
	TOTAL (A)+(B)+(C)	0	0	0	0	0	[●]	[●]	[●]	[●]	[●]	[●]
(D)	**Public pursuant to the Issue**	0	0	0	0	0	[●]	[●]	[●]	[●]	[●]	[●]

Category code	Category of shareholder	Number of shareholders	Pre-Issue				Post-Issue				Shares Pledged or otherwise encumbered	
			Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares		Total number of shares	Number of shares held in dematerialised form	Total shareholding as a percentage of total number of shares			
					As a percentage of (A+B)	As a percentage of (A+B+C)			As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage
	GRAND TOTAL (A)+(B)+(C)+(D)	**495**	**21,765,600**	**19,711,620**	**100**	**100**	[●]	[●]	[●]	[●]	[●]	[●]

9. Other than the following, none of our Key Management Personnel hold Equity Shares in our Company as on the date of filing of this Draft Red Herring Prospectus: -

Sr. No.	Name of the Key Managerial Personnel	No. of Equity Shares	Percentage of pre-issue share capital (%)
1.	Mr. Piyush Rathi	38,600	0.18%
2.	Mr. Beni Rauka	48,000	0.22%
3.	Mr. Dipak Roda	26,400	0.12%
4.	Ms. Shilpa Risbud	16,400	0.08%
5.	Ms. Saylee Pradhan	17,000	0.08%
6.	Mr. Anil Kumar Gupta	49,000	0.23%
7.	Mr. Pradip Bhonsale	12,800	0.06%
8.	Mr. Bhaskar Manolkar	10,500	0.05%
9.	Mr. Sandeep Bijanwar	1,500	0.01%
Total		**2,20,200**	**1.01%**

10. Our Company, Directors and BRLMs have not entered into any buy-back or standby/safety net arrangements for the purchase of the Equity Shares of our Company from any person.

11. There are no financing arrangements wherein the Promoters, Promoter Group, the Directors of our Company and relatives of the Directors of our Company, the Directors of our Promoter Group companies have financed the purchase by any other person of securities of our Company, during the period of six months immediately preceding the date of filing this DRHP.

12. No shares of our Company have been pledged by the Promoter or the Promoter Group.

13. Our Company has not issued any bonus shares out of revaluation of reserves.

14. As on the date of this DRHP, the BRLMs do not hold any Equity Shares in our Company.

15. Our Promoters (other than Mr. Vasant Laxminarayan Rathi who is a Selling Shareholder) and members of the Promoter Group (other than Chandrakant Rathi Finance and Investment Company Private Limited and Mr. Kishor Laxminarayan Rathi who are Selling Shareholders) and the BRLMs will not participate in this Issue.

16. Except as stated hereinabove, there has been no purchase or sale of Equity Shares by the Promoters, the Promoter Group, our Directors and their immediate relatives during the six months immediately prior to the filing of this Draft Red Herring Prospectus with SEBI.

17. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the immediate relatives of the Promoters between the date of filing the RHP with the Registrar of Companies and the Bid/Issue Closing Date are reported to the Stock Exchanges within 24 hours of such transaction.

18. Our Company has not made any public issue since its incorporation.

19. We do not have any intention or proposal to alter our capital structure for a period starting 6 months from the date of opening of the Issue by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or bonus, rights, further Public issue or Qualified Institutions Placement or otherwise.

20. Our Company has not raised any bridge loan against the proceeds of the Issue.

21. The Issue is being made through the 100% Book Building Process wherein 50% of the Net Issue shall be available for allocation to QIBs on a proportionate basis. Provided that our Company and the Selling Shareholders, in consultation with the BRLMs, may allocate up to 30% of the QIB Portion, to Anchor Investors, on a discretionary basis ("**Anchor Investor Portion**"). *For details, see "Issue Procedure" on page 461*. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. Further, not less than 15% of the Net Issue will be available for allocation on a proportionate basis to Non- Institutional Bidders and not less than 35% of the Net Issue will be available for allocation to Retail Individual Bidders, subject to valid Bids being received from them at or above the Issue Price.

22. 1,00,000 Equity Shares have been reserved for allocation to Eligible Employees, subject to valid Bids being received at or above the Issue Price and subject to the maximum Bid Amount by each Eligible Employee not exceeding ₹ 2,00,000. An Employee Discount of ₹ [●] to the Issue Price may be offered to Eligible Employees bidding in the Employee Reservation Portion. Only Eligible Employees are eligible to apply in this Issue under the Employee Reservation Portion. Bids by Eligible Employees bidding under the Employee Reservation Portion may also be made in the Net Issue and such Bids will not be treated as multiple Bids. *For details regarding Allotment to Eligible Employees please see section titled "Issue Procedure - Basis of Allotment" on page 461.*

23. Under subscription, if any, in any category except for QIB category, shall be allowed to be met with spillover from the other categories or combination of categories by our Company and the BRLMs in consultation with the Designated Stock Exchange and in accordance with applicable laws, rules, regulations and guidelines, subject to valid bids being received at or above the Issue Price.

24. An over-subscription to the extent of 10% of the offer to the public can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment being equal to [●] Equity Shares, which is the minimum bid lot in this Issue.

25. The Equity Shares are fully paid up and there are no partly paid up Equity Shares as on date. Further, since the entire money in respect of the Issue is being called on application, all the successful applicants will be issued fully paid-up shares.

26. There would be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of the Draft Red Herring Prospectus with SEBI until the Equity Shares issued through the Prospectus are listed or application moneys refunded on account of failure of Issue.

27. As per the extant policy, OCBs are not permitted to participate in the Issue.

28. There are no outstanding warrants, options or right to convert debentures, loans or other financial instruments into our Equity Shares as on the of this Draft Red Herring Prospectus.

29. There shall be only one denomination of Equity Shares of our Company unless otherwise permitted by law. Our Company shall comply with disclosure and accounting norms as may be prescribed by SEBI from time to time.

30. We have availed financial facilities from IndusInd Bank, Citi Bank N.A., DBS Bank, HDFC Bank and Yes Bank. In respect of various agreements entered into by our Company with our lender and sanction letters issued by our lender to us, we are bound by certain restrictive covenants.

31. No payment, direct or indirect, in the nature of discount, allowance, commission or otherwise, shall be made either by us or our Promoters to the persons who receive Allotments, if any, in this Issue other than to the Eligible Employees who shall be eligible for Employee Discount.

SECTION V – OBJECTS OF THE ISSUE

The Issue consists of a Fresh Issue of [●] Equity Shares by our Company, aggregating to ₹ 2,000 Million and an Offer for Sale of up to 37,00,000 Equity Shares by the Selling Shareholders aggregating up to ₹ [●] Million.

Proceeds of Offer for Sale

The funds from the Offer for Sale (net of Issue related expenses incurred by the Selling Shareholders) shall be received by the Selling Shareholders and our Company shall not receive any proceeds from the Offer for Sale.

PROCEEDS OF THE FRESH ISSUE

Sr. No.	Particulars	Amount (in ₹ Million)
1)	Gross Proceeds of the Fresh Issue	2,000.00
2)	Less Issue related expenses to the extent payable by our Company*	[●]
3)	Net proceeds of the Fresh Issue (“**Net Proceeds**”)*	[●]

**To be finalised upon determination of the Issue Price*

The Net Proceeds of the Fresh Issue are estimated to be approximately ₹ [●] Million.

OBJECTS OF THE ISSUE

We intend to use the Net Proceeds of the Fresh Issue, as defined in the above table, for the following Objects:

Sr. No.	Particulars	Amount (in ` Million)
1)	Phase-III expansion of the Manufacturing facility at Indore	430.00
2)	Establishment of Research and Development Centre at Nashik	430.00
3)	Establishment of Research & Development and Innovation Centre at Thane	370.00
4)	Investment in our step-down subsidiary (Cal India Foods International) for set-up of manufacturing and R&D facilities	210.00
5)	Acquisitions & Other Strategic Initiatives	100.00
6)	General Corporate Purposes	[●]

In addition to the aforementioned objects, our Company expects to receive the benefits of listing of its Equity Shares on the Stock Exchanges, including among other things, enhancing our visibility and brand.

The main objects clause of our Memorandum of Association and objects incidental or ancillary to the main objects enable us to undertake our existing activities and the activities for which funds are being raised by us in the Fresh Issue.

Detailed Utilisation of Net Proceeds

The total fund requirement and the detailed utilization of Net Proceeds of the Fresh Issue, as currently estimated by us, is as set forth below:

(In ₹Million)

Sr. No.	Expenditure Items	Total Estimated Expenditure	Amount deployed as at Feb 28, 2013	Balance Amount	Amount to be deployed from Net Proceeds	Estimated schedule of deployment of Net Proceeds for		
						Fiscal 2014	Fiscal 2015	Fiscal 2016
1.	Phase-III expansion of the Manufacturing facility at Indore	430.00	-	430.00	430.00	55.00	306.00	69.00
2.	Establishment of Research and Development Centre at Nashik	430.00	-	430.00	430.00	214.00	191.00	25.00
3.	Establishment of Research & Development and Innovation Centre at Thane	370.00	-	370.00	370.00	235.00	121.00	14.00
4.	Investment in our step-down subsidiary (Cal India Foods International) for Expansion of manufacturing and R&D facilities	225.86	15.86*	210.00	210.00	152.00	58.00	-
5.	Acquisitions & Other Strategic Initiatives	100.00	-	100.00	100.00			
6.	General Corporate Purposes#	[●]	[●]	[●]	[●]			
	Total	[●]	[●]	[●]	[●]			

** The amount has been funded through internal accruals as per certificate dated March 25, 2013 from KNAV P.A., Certified Public Accountants.*
#To be finalised upon determination of Issue Price.

The fund requirements, the deployment of funds and the intended use of Net Proceeds of the Fresh Issue as described herein are based on management estimates, current quotations from suppliers and our current business plan, and have not been appraised by any bank or financial institution. We operate in a competitive and dynamic sector. In view of the same, we may have to revise the expenditure, fund requirements and deployment schedule as a result of variations in cost estimates on account of variety of factors such as changes in design or configuration of the projects, incremental pre-operative expenses and external factors such as changes in the business environment and exchange rate fluctuations, which may not be within the control of the management and may entail rescheduling and/or revising the planned expenditure and funding requirements and increasing or decreasing the expenditure for a particular purpose from the planned expenditure at the discretion of the Company's management. The Company's historical capital expenditure may not be reflective of its future capital expenditure plans.

Until our Company realises the Net Proceeds, it proposes to utilise its internal accruals and/or raise additional debt, to meet the expenditure and/or investment in respect of the Objects, which may be recouped from the Net Proceeds. In the event, the estimated utilisation of the Net Proceeds of the Fresh Issue in a scheduled fiscal year is not completely met, the same shall be utilised in the next fiscal year. In the event of a shortfall in raising the requisite funds from the Net Proceeds of the Fresh Issue towards meeting the objects of the Issue, the extent of the shortfall will be met by way of such means available to the Company, including by way of incremental debt or cash available with the Company.

For further details on our projects, please see the section "*Business Overview*" on page 187 of this DRHP.

Details of Objects of the Issue

1. <u>Phase-III expansion of the Manufacturing facility at Indore</u>

We propose to utilize ₹ 430.00 Million out of the Net Proceeds of the Fresh Issue for the Phase-III expansion of our manufacturing facility located at Indore. We started our Indore unit in 2008, as a recovery and formulation facility at the Pithampur Special Economic Zone, to enhance our focus on the international export markets ("**Phase-I**"). The Indore plant was then expanded by adding a state-of-the-art fermentation facility with an aggregate capacity of 240 cubic meters per annum which commenced commercial production in September 2012 ("**Phase-II**"). We propose to further enhance the manufacturing capacity at Indore by adding fermentation capacity to the tune of an additional 240 cubic meters per annum ("**Phase-III**"), in line with our business strategy. The Land for this proposed expansion is already available, at the same location where the Phase I and Phase II of the manufacturing facility are operational in the Pithampur Special Economic Zone. This proposed expansion shall enhance the capacity of the Indore manufacturing facility to 480 cubic meters per annum and our overall fermentation capacity shall increase to 600 cubic meters per annum.

The details of the investment required for the proposed Phase-III Expansion of the manufacturing facility at Indore are as follows:

(In ₹Million)

Sr. No.	**Particulars**	**Total estimated project cost**
1.	Plant and machinery	333.72
2.	Civil, Electrical and other works	84.38
3.	Pre-operative expenses, contingencies and other miscellaneous expenses	11.90
	Total	430.00

No funds have been deployed on the project so far.

(a) <u>Plant and machinery</u>

The following table sets out the details of the Plant and machinery and the estimated cost break-up:

Section	**Date**	**Vendor Name**	**Equipment Details**	**Amount (in `)**
RECOVERY	20-Feb-13	Sachin Industries Ltd	Filter press 1200*1200*20	1,498,000
	20-Feb-13	Sachin Industries Ltd	Filter press 1500*1500*60	10,600,000
	6-Mar-13	Yash Industries	Ultra filter	15,800,000

Section	Date	Vendor Name	Equipment Details	Amount (in `)
	3-Jan-13	Raj Process Equipments& Systems Pvt Ltd	Spray dryer	30,000,000
	25-Feb-13	Raj Process Equipments& Systems Pvt Ltd	Treatment tank	6,250,000
	25-Feb-13	Raj Process Equipments& Systems Pvt Ltd	Harvesting tank	19,400,000
	25-Feb-13	Raj Process Equipments& Systems Pvt Ltd	Storage tanks	16,000,000
	25-Feb-13	Raj Process Equipments& Systems Pvt Ltd	Tanks	3,750,000
	25-Feb-13	Raj Process Equipments& Systems Pvt Ltd	Mixing Tank	3,750,000
	25-Feb-13	Raj Process Equipments& Systems Pvt Ltd	Dosing Tanks	2,700,000
	25-Feb-13	Raj Process Equipments& Systems Pvt Ltd	Storage tanks	5,000,000
FERMENTATION	25-Feb-13	Raj Process Equipments& Systems Pvt Ltd	Production fermenters	60,800,000
	25-Feb-13	Raj Process Equipments& Systems Pvt Ltd	Seed fermenters	8,200,000
	25-Feb-13	Raj Process Equipments& Systems Pvt Ltd	Dosing pots	2,700,000
UTILITY	16-Jan-13	Talati Electric Works Pvt Ltd	Process air compressor	1,850,000
	10-Mar-13	Talati Electric Works Pvt Ltd	Reciprocating Air Compressor	1,082,000
	28-Feb-13	ETA Engineering Pvt. Ltd	Chilling plant	4,933,640
	20-Feb-13	Himgiri Cooling Towers	Cooling towers (Fermentation Sterilization)	1,696,000
	20-Feb-13	Himgiri Cooling Towers	Cooling towers (Chilling Plant)	1,012,000
INSTRUMENTATION	7-Mar-13	Teknocrats Control System (I) Pvt.Ltd.	Automation & SCADA	8,945,000
PIPELINE	27-Feb-13	Ratnagiri Stainless Pvt Ltd	Pipes and Fittings	56,000,000
	27-Feb-13	Raj Process Equipments& Systems Pvt Ltd	Fabrication Labour	40,000,000
	2-Mar-13	Steamatic Components Pvt.Ltd.	Janatics Make	4,586
	27-Feb-13	Asiatic Traders	High Pressure Centrifugal Pump	143,099
MISCELLANEOUS EQUIPMENTS	27-Feb-13	Asiatic Traders	Baseplate Pump	256,263
	28-Feb-13	Mettler-Toledo India Private Limited	Miscellaneous Equipments	396,795
	2-Mar-13	Janatics India Private Limited	Miscellaneous Equipments	1,545,708
	13-Mar-13	Midex Marketing	Miscellaneous Equipments	4,823,850
	7-Mar-13	Teknocrats Control System	Miscellaneous	2,155,773

Section	Date	Vendor Name	Equipment Details	Amount (in `)
		(I) Pvt.Ltd.	Equipments	
	6-Mar-13	Crane Process Flow Technologies (I) Ltd	Miscellaneous Equipments	22,426,458
TOTAL				**333,719,172**

(b) Civil, Electrical and other works

The following table sets out the details of the civil, electrical and other works and the estimated cost break-up:

Cost Head	Date of Quotation	Vendor Name	Particulars	Amount in ₹
Civil Construction and Works	February 25, 2013	Space Craft Associates	Developable Area about 53,000 sq.ft.	69,430,000
	8-Mar-13	Teknocrats Control System (I) Pvt. Ltd.	PANELS	13,247,248
	2-Mar-13	Steamatic Components Pvt. Ltd.	Fabricated Panel Box 300*500*125	3,060
	2-Mar-13	Steamatic Components Pvt. Ltd.	Fabricated Panel Box 600*500*125	15,300
	2-Mar-13	Steamatic Components Pvt. Ltd.	Fabricated Panel Box 600*700*125	6,970
	2-Mar-13	Steamatic Components Pvt. Ltd.	Fabricated Panel Box 750*800*125	63,240
	19-Mar-13	RY Techno Systems-Nashik	PERFORATED CABLE TRAY	980,100
Electrical and Other Works	19-Mar-13	RY Techno Systems-Nashik	LADDER TYPE CABLE TRAY	635,450
TOTAL				**84,381,368**

2. Establishment of Research and Development Centre at Nashik

We intend to set-up a state-of-the-art Research and Development centre at Nashik, to supplement our existing manufacturing and R&D facilities at Sinnar (Nashik), which shall primarily focus on enhancing the production efficiencies during the fermentation process, enhancing downstream processing capabilities and improving recovery and purification yields. This Research and Development centre shall primarily consist of microbiology research laboratory and test fermentation facility, equipped with associated analytical equipments and allied utilities.

The details of the investment required for the establishment of this proposed research and development centre at Nashik are given below:

(In ₹ Million)

Sr. No.	Particulars	Total estimated project cost
1.	Plant and machinery	203.07
2.	Land Cost	128.00
3.	Civil, Electrical and other works	80.00
4.	Pre-operative expenses, contingencies and other miscellaneous	18.93

	expenses	
	Total	**430.00**

No funds have been deployed on the project so far.

(a) Plant and machinery

The following table sets out the details of the Plant and machinery and the estimated cost break-up:

Section	Date of quotation	Name of party	Name of instrument	Amount in ₹
Microbiology	16/02/2013	Spectralab Instruments Private Limited	Water bath including beaker positioning tray	340,000
Microbiology	13/02/2013	Toshvin (Shimadzu)	UV visible spectrophotometer	1,124,280
Microbiology	17/02/2013	Medipharm Equipments Private Limited	Double door autoclave	3,340,000
Microbiology	15/02/2013	Eppendorf India Limited	Deep freezer	1,107,432
Microbiology	15/02/2013	Eppendorf India Limited	Shakers with accessories	3,346,920
Microbiology	15/02/2013	Saksham Technologies	Orbiteck shakers with clamps	1,045,600
Microbiology	16/02/2013	Saksham Technologies	Orbiteck shakers PD	2,107,500
Microbiology	16/0/2/2013	Remi Elektrotechnik Limited	Cooling Incubator	230,400
Microbiology	16/0/2/2013	Remi Elektrotechnik Limited	Cooling centrifuge	280,000
Microbiology	16/0/2/2013	Remi Elektrotechnik Limited	Laboratory centrifuge R-4 C DX	37,000
Microbiology	16/0/2/2013	Remi Elektrotechnik Limited	Laboratory centrifuge RM-12C	25,400
Microbiology	16/0/2/2013	Remi Elektrotechnik Limited	Magnetic stirrer	150,000
Microbiology	16/0/2/2013	Remi Elektrotechnik Limited	Laboratory stirrer	29,600
Microbiology	16/0/2/2013	Remi Elektrotechnik Limited	Rotamantle	42,000
Microbiology	16/0/2/2013	Remi Elektrotechnik Limited	Cyclomixer	84,000
Microbiology	18/02/2013	Klenzaids Contamination Controls Pvt. Ltd	Laminar air flow	760,000
Microbiology	25/02/2013	Afcoset Balances	Weighing balance FX300G	168,000
Microbiology	25/02/2013	Afcoset Balances	Weighing balance FX320G	160,000
Microbiology	18/02/2013	Cintex Industrial Corporation	Hot plate (Rectangular) with microprocessor CIC-11A	12,000
Microbiology	18/02/2013	Cintex Industrial Corporation	Hot plate (Rectangular) with microprocessor CIC-11B	13,000
Microbiology	18/02/2013	Cintex Industrial Corporation	Hot plate (Rectangular) with microprocessor CIC-11C	14,000
Microbiology	18/02/2013	Cintex Industrial	Hot plate (Rounded) with	

Section	Date of quotation	Name of party	Name of instrument	Amount in ₹
		Corporation	microprocessor CIC-10A	12,000
Microbiology	18/02/2013	Cintex Industrial Corporation	Hot plate (Rounded) with microprocessor CIC-10B	13,000
Microbiology	18/02/2013	Cintex Industrial Corporation	Hot plate (Rounded) with microprocessor CIC-10C	14,000
Microbiology	18/02/2013	Cintex Industrial Corporation	Rotamantels with digital controler CIC - 56A	32,000
Microbiology	18/02/2013	Cintex Industrial Corporation	Rotamantels with digital controler CIC - 56B	34,000
Microbiology	18/02/2013	Cintex Industrial Corporation	Rotamantels with digital controler CIC - 56C	36,000
Microbiology	18/02/2013	Cintex Industrial Corporation	Rotamantels with digital controler CIC - 56D	38,000
Microbiology	18/02/2013	Cintex Industrial Corporation	Rotamantels with digital controler CIC - 56E	42,000
Microbiology	18/02/2013	Cintex Industrial Corporation	Rotamantels with digital controler CIC - 56F	48,000
Microbiology	18/02/2013	Cintex Industrial Corporation	Rotamantels with digital controler CIC – 56G	86,000
Microbiology	18/02/2013	Cintex Industrial Corporation	Rotamantels with digital controler CIC – 56H	140,000
Microbiology	18/02/2013	Labindia Analytical Instruments Pvt Ltd	pH meter	186,560
Microbiology	18/02/2013	Labindia Analytical Instruments Pvt Ltd	Automatic titrator	1,520,000
Microbiology	20/02/2013	Classic scientific	Oven	192,000
Microbiology	20/02/2013	DSS Imagetech Private Limited	Olympus Microscope	1,435,812
Microbiology	01-02-2013	Labcon – Indian Scientific	Labocon -25°C Freezer Upright	174,050
Microbiology	09-05-2012	Care Biosystems Pvt ltd	Cooled Incubator Panasonic / Sanyo	479,366
Microbiology	20/02/2013	Modern Science	Brookfield Viscometer	610,000
Microbiology	25/02/2013	Yash Industries	AHU system	2,766,000
Microbiology	02-11-2013	Triton Technologies	Sonifier (Branson make)	478,872
Microbiology	22/09/2011	SP Scientific	Lyophilizer (Vir Tis)	1,512,000
Microbiology	23/02/2013	Ratnagiri Steels	Clean area furnitures SS table with drawers	78,000
Microbiology	23/02/2013	Ratnagiri Steels	Clean area furnitures SS table plain	86,000
Microbiology	23/02/2013	Ratnagiri Steels	Clean area furnitures SS table plain	62,000
Microbiology	23/02/2013	Ratnagiri Steels	Clean area furnitures SS rack	188,000
Microbiology	23/02/2013	Ratnagiri Steels	Clean area furnitures SS tables with drawers & shelf	118,000
Microbiology	23/02/2013	Ratnagiri Steels	Clean area furnitures SS stool	32,400
Microbiology	23/02/2013	Ratnagiri Steels	Clean area furnitures SS dust bin	38,000

Section	Date of quotation	Name of party	Name of instrument	Amount in ₹
Microbiology	23/02/2013	Ratnagiri Steels	Clean area furnitures SS slipper stand	18,000
Microbiology	23/02/2013	Ratnagiri Steels	Clean area furnitures SS stool round	38,000
Microbiology	23/02/2013	Nimesh Industries	Lab Furniture	11,383,200
Microbiology	03.03.2013	Yash Industries	HVAC System Class 100000	6,101,650
Microbiology	03.03.2013	Yash Industries	HVAC System Class 10000	2,668,456
Microbiology	27.02.2013	Triton Technologies	Glassware washing machine	561,312
Fermentation	21/02/2013	Nucon Engineers	Vent Gas Analyzer	2,810,000
Fermentation	22/02/2013	New Brunswick, USA	Fermenter Bioflo510 40L	15,503,670
Fermentation	22/02/2013	New Brunswick, USA	Fermenter Bioflo115	25,636,500
Fermentation	22/02/2013	New Brunswick, USA	Fermenter software Batch control plus	1,578,150
Fermentation	26/02/2013	Scigenics India Pvt Ltd	Fermenter 30 L	31,889,000
Fermentation	26/02/2014	Scigenics India Pvt Ltd	Fermenter 300 L	7,813,400
Fermentation	26/02/2015	Scigenics India Pvt Ltd	Fermenter 1500 L	5,361,200
Fermentation	26/02/2015	Scigenics India Pvt Ltd	Accessories	444,400
Utilities	23/02/2013	Raj Process & Equipments Pvt Ltd	Boiler 1 ton	2,545,000
Utilities	22/02/2013	Himgiri Cooling Towers	Cooling Tower 200tr	1,220,000
Utilities	22/02/2013	Powerica Ltd	DG set 200 Kva	1,432,000
Utilities	02-12-2013	Sachin Ind Ltd	Filter Press 12" x 12"	122,200
Utilities	03-12-2013	Sachin Ind Ltd	Filter Press 18" x 18"	142,800
Utilities	02-03-2013	Yash Industries	Utility piping and commissioning of fermenters	30,400,000
Utilities	28/02/2013	ETA Engineering Private Limited	Water Chiller	2,283,358
Utilities	03-02-2013	Racca Infotech Pvt Ltd	Desktops with accessories	2,300,000
Utilities	03-02-2013	Racca Infotech Pvt Ltd	Networking	586,200
Utilities	03-02-2013	Racca Infotech Pvt Ltd	UPS 20 KV	740,000
Utilities	03-02-2013	Racca Infotech Pvt Ltd	Access Control and Fire alarm	855,000
Utilities	03-03-2013	Kaeser	Compressor, air receiver, air drier	5,082,000
Analytical	22/02/2013	Waters (India) Pvt. Ltd	LC MS, Xevo TQD with UPLC, 01/TQD/ADEZ	16,200,000
Analytical	22/02/2013	Labmate Asia Pvt Ltd (YSI Incorporation)	Biochemistry Analyzer	2,484,000
TOTAL				**203,068,688**

(b) Land Cost

We have estimated the total land requirement for the establishment of this proposed Research & Development centre at Nashik of around 8,000 square meters, and M/S Soni & Associates, Real Estate Agents & Valuers have vide their letter dated March 07, 2013 estimated that ₹ 128 Million would be required for acquiring such a land parcel.

(c) Civil, Electrical and other works

Based on the developable area requirement of approximately 25,000 square feet for the proposed R&D centre at Nashik, M/S Space Craft Associates, Architects have vide their letter dated March 19, 2013 estimated that ₹ 80 Million shall be required towards Civil, Electrical and other works.

3. Establishment of Research & Development and Innovation Centre at Thane

We currently have two application development laboratories at Thane, both of which are operating from leasehold premises. We intend to consolidate these two R&D centres at one central location in Thane, which shall be owned by us, and set up a state-of-the-art Research & Development and Innovation centre, in line with our business strategy of devoting significant funds towards R&D activities. This centre shall primarily focus on the development of various innovative enzyme products and solutions, for our business verticals of Healthcare & Nutrition and Bio-Processing. This proposed Research & Development and Innovation centre shall support the Healthcare & Nutrition business vertical, by focussing on the development of various therapeutic enzyme formulations for use in effective and side-effect-free medications for the Healthcare business, and the development of various innovative enzyme applications for the Nutrition business. The centre shall also support the Bio-Processing business vertical by focussing on the development of innovative enzyme applications that lead to improvement in the product quality and process efficiency across various industries like baking, fruit processing, brewing and malting, textile, leather, paper, bio-catalysis etc.

The details of the investment required for the establishment of this proposed Research & Development and Innovation Centre at Thane are given below:

(In ₹ Million)

Sr. No.	**Particulars**	**Total estimated project cost**
1.	Land Cost	170.00
2.	Plant and machinery	103.68
3.	Civil, Electrical and other works	78.75
4.	Pre-operative expenses, contingencies and other miscellaneous expenses	17.57
	Total	**370.00**

No funds have been deployed on the project so far.

(a) Land Cost

We have estimated the total land requirement for the establishment of the R&D centre at Thane of around 3,000 square meters, and M/S Chandrakant Maru, Real Estate Agents have vide their letter dated March 13, 2013 estimated that ₹ 170 Million would be required for acquiring such a land parcel.

(b) Plant and machinery

The following table sets out the details of the Plant and machinery and the estimated cost break-up:

Section	**Date of quotation**	**Name of party**	**Name of instrument**	**Amount in `**
Molecular Biology	21.02.2013	Life Technologies	Sequencer (Capillary)	6,875,000
Molecular Biology	25.02.2013	Life Technologies	Sequencing machine (Chip)	7,150,000

Section	Date of quotation	Name of party	Name of instrument	Amount in `
Molecular Biology	21.02.2013	Life Technologies	RT PCR	1,925,000
Molecular Biology	21.02.2013	Biolixlabsystems	BIO- RAD - IEF system	1,353,715
Molecular Biology	21.02.2013	Biolixlabsystems	BIO- RAD - Vertical gel electrophoresis	105,270
Molecular Biology	21.02.2013	Biolixlabsystems	BIO- RAD - Power pack	337,150
Molecular Biology	21.02.2013	Biolixlabsystems	BIO- RAD - Trans Blot - Wet transfer	88,550
Molecular Biology	21.02.2013	Biolixlabsystems	BIO- RAD - Trans-Blot® Turbo™	385,000
Molecular Biology	21.02.2013	Biolixlabsystems	BIO- RAD - Gene Pulser	652,025
Molecular Biology	21.02.2013	Biolixlabsystems	BIO- RAD – Real Time PCR	2,337,500
Molecular Biology	21.02.2013	Biolixlabsystems	BIO- RAD - Chem doc	2,656,500
Molecular Biology	21.02.2013	Biolixlabsystems	BIO- RAD - Pulsed field gel electrophoresis	2,502,500
Molecular Biology	22.02.2013	Biolixlabsystems	BIO- RAD - Droplet Digital PCR (ddPCR)	8,305,000
Molecular Biology	25.02.2013	Biolixlabsystems	BIO- RAD - Gel Rocker	92,775
Molecular Biology	27.02.2013	Biolixlabsystems	BIO- RAD - Dcode Universal Mutation Detection system	1,454,585
Molecular Biology	14.02.2013	Care Biosystems India Pvt. Ltd	Hot air oven	200,800
Molecular Biology	14.02.2013	Care Biosystems India Pvt. Ltd	Deep Freezer (-80ºC)	626,900
Molecular Biology	14.02.2013	Care Biosystems India Pvt. Ltd	Deep Freezer (-30ºC)	355,500
Molecular Biology	14.02.2013	Care Biosystems India Pvt. Ltd	Heated Incubator	177,200
Molecular Biology	14.02.2013	Care Biosystems India Pvt. Ltd	BOD Incubator	214,200
Molecular Biology	14.02.2013	Care Biosystems India Pvt. Ltd	Ice Maker	281,250
Molecular Biology	15.02.2013	Care Biosystems India Pvt. Ltd	Dry bath	79,915
Molecular Biology	14.02.2013	ESCo Biotech Pvt. Ltd	Laminar Air Flow-LAF A	1,045,000
Molecular Biology	21.02.2013	Eppendorf India Limited	Thermo mixer	199,800
Molecular Biology	21.02.2013	Eppendorf India Limited	Mini spin	171,648
Molecular Biology	21.02.2013	Eppendorf India	Compact Refrigerated	

Section	Date of quotation	Name of party	Name of instrument	Amount in `
		Limited	centrifuge	420,624
Molecular Biology	21.02.2013	Eppendorf India Limited	Gradient PCR	605,880
Molecular Biology	21.02.2013	Eppendorf India Limited	Vacuum concentrator	367,776
Molecular Biology	22.02.2013	Biolixlabsystems	Thermo - Freezer -86	913,000
Molecular Biology	23.02.2013	Biolixlabsystems	Thermo - Refrigerated centrifuge	864,000
Molecular Biology	22.02.2013	Chiron Instruments India Pvt Ltd	Thermo - pH Meter	49,200
Molecular Biology	22.02.2013	Biolixlabsystems	UV-VIS spectrophotometer (Plate and cuvette)	967,680
Molecular Biology	21.02.2013	SpinchromeLifesciences	Vortexer	16,129
Molecular Biology	21.02.2013	SpinchromeLifesciences	Mini Microcentrifuge	21,505
Molecular Biology	21.02.2013	SpinchromeLifesciences	Magnetic stirrer + hot plate	24,225
Molecular Biology	21.02.2013	SpinchromeLifesciences	Magenetic stirrer (4 flasks)	137,250
Molecular Biology	29.01.2013	Technosource	Agarose gel electrophoresis (Casting trays, combs &transilluminator)	141,334
Molecular Biology	14.02.2013	SV Scientific	Autoclave - User friendly	391,589
Molecular Biology	14.02.2013	Medica Instrument MFG. Co.	Autoclave EQUITRON / #7407PAD	28,125
Molecular Biology	14.02.2013	Medica Instrument MFG. Co.	Autoclave EQUITRON / #7441 FA	291,375
Molecular Biology	14.02.2013	Chiron Instruments Pvt. Ltd	Analytical Balance	88,830
Molecular Biology	19.02.2013	Millipore (India) Pvt. Ltd	Water purification system	316,008
Molecular Biology	15.02.2013	Saksham Technologies Pvt. Ltd.	Shaking Water bath	184,250
Molecular Biology	21.03.2013	Saksham Technologies Pvt. Ltd.	Hybridization Oven	171,000
Molecular Biology	14.02.2013	Scientific sales	NanoDrop (Spectrophotometer)	1,462,500
Molecular Biology	14.02.2013	Scientific sales	Refrigerated shaker	392,400
Molecular Biology	22.02.2013	DSS ImageTechPvt. Ltd	Phase Contrast Microscope	727,496
Molecular Biology	20.02.2013	Bertin Technologies (Lab mate)	Bead beater	900,000
Molecular Biology	26.02.2013	Cole Parmer India Pvt Ltd	Lyophilizer	1,752,600

Section	Date of quotation	Name of party	Name of instrument	Amount in `
Molecular Biology	01.02.2013	Gene Codes Corporation	Sequencher software	153,175
Proteomics	22-Feb-13	Waters India Pvt Ltd	Mass spectrophotometer	25,334,722
Proteomics	20-Feb-13	Shimadzu Asia Pacific Pte Ltd	HPLC	3,758,433
Proteomics	21-Feb-13	Wipro GE Healthcare	FPLC-protein purification/analysis	6,223,770
Proteomics	25-Feb-13	Wipro GE Healthcare	FPLC-protein purification/analysis	3,677,608
Proteomics	23-Feb-13	Shimadzu Asia Pacific Pte Ltd	UV-visible spectrophotometer	1,228,000
Proteomics	22-Feb-13	Thermo Fisher	UV-vismicroplate spectrophotometer	842,694
Proteomics	23-Feb-13	Shimadzu Asia Pacific Pte Ltd	Single drop spectrophotometer	689,570
Proteomics	21-Feb-13	Spinochrom Life Sciences Pvt Ltd	Single drop and cuvette	565,000
Proteomics	26-Feb-13	M/s Bio-Rad Laboratories	IEF system	1,335,009
Proteomics	26-Feb-13	M/s Bio-Rad Laboratories	Maxi gel electrophoresis system	209,095
Proteomics	26-Feb-13	M/s Bio-Rad Laboratories	Mini gel electrophoresis system	235,780
Proteomics	26-Feb-13	M/s Bio-Rad Laboratories	Trans-blotting system	379,680
Proteomics	26-Feb-13	M/s Bio-Rad Laboratories	Semi-dry blotting system	221,244
Proteomics	26-Feb-13	M/s Bio-Rad Laboratories	Gel Imaging instrument	964,821
Proteomics	26-Feb-13	M/s Bio-Rad Laboratories	Gel drying system (with vacuum pump)	992,320
Proteomics	26-Feb-13	M/s Bio-Rad Laboratories	Gel drying system (convection oven)	260,840
Proteomics	24-Feb-13	Bioline Technologies	Walk-in cold room	1,040,000
Proteomics	24-Feb-13	Bioline Technologies	Fume hood	238,100
Proteomics	21-Feb-13	Eppendorf India Limited	Vacuum concentrator	410,369
Proteomics	21-Feb-13	Eppendorf India Limited	Refrigerated centrifuge	632,360
Proteomics	21-Feb-13	Eppendorf India Limited	Refrigerated micro-centrifuge	360,449
Proteomics	21-Feb-13	Eppendorf India Limited	Freezer	491,938
Proteomics	21-Feb-13	Eppendorf India Limited	Thermomixer	251,027
Proteomics	21-Feb-13	Corning	Dry bath heater	

Section	Date of quotation	Name of party	Name of instrument	Amount in `
				86,794
Proteomics	21-Feb-13	Eppendorf India Limited	Water-bath	400,798
Proteomics	21-Feb-13	Grant	Combined linear/orbital shaking water bath	908,000
Proteomics	21-Feb-13	Grant	Water-bath	90,000
Proteomics	21-Feb-13	Labnet	Shaker incubator	376,118
Proteomics	26-Feb-13	Sartorious	Weighing balance	309,330
Proteomics	26-Feb-13	Lab India	pH meter	82,800
Proteomics	21-Feb-13	Labnet	Rocker	68,385
Proteomics	21-Feb-13	Corning	Vortex mixer	56,925
TOTAL				**103,682,712**

(c) Civil, Electrical and other works

Based on the developable area requirement of approximately 20,000 square feet for the proposed R&D centre at Thane, M/S Space Craft Associates, Architects have vide their letter dated March 19, 2013 estimated that ₹ 78.75 Million shall be required towards Civil, Electrical and other works.

4. Investment in our step-down subsidiary (Cal India Foods International) for set-up of manufacturing and R& D facilities

We propose to utilize an amount of ₹ 210 Million out of the Net Proceeds of the Fresh Issue for investment in our step-down subsidiary, Cal India Foods International, USA through our wholly-owned subsidiary Advanced Enzymes USA. This investment may be in the form of debt or equity or any other suitable instrument, which shall be decided at a later date. Our subsidiaries do not have any stated dividend policy and we cannot be assured of any dividends from our subsidiaries, including in respect of our equity infusion (if any) from the Net Proceeds of the Fresh Issue. We will remain interested in the subsidiaries, and will derive benefits from them to the extent of our shareholding. The proposed investment in Cal India Foods International ("**Cal India**") will be utilised towards set-up of the manufacturing and R&D facilities located at Chino, California, USA.

Cal India has a satellite blending, mixing and formulation facility, as well as a quality assurance/control and custom application development R&D laboratory at Chino, which provides customized enzymes blends and proprietary enzymes solutions for its customers. Cal India intends to further augment these facilities through this proposed expansion project. The details of the investment required for the same are given below:

(In ₹ Million)

Sr. No.	Particulars	Total estimated project cost	Amount deployed as at February 28, 2013#
1.	Plant and machinery	171.21	Nil

2.	Civil, Electrical and other works	45.82	15.86
3.	Pre-operative expenses, contingencies and other miscellaneous expenses	8.83	Nil
	Total	**225.86**	**15.86**

#The amount has been funded through internal accruals as per certificate dated March 25, 2013 from KNAV P.A., Certified Public Accountants.

The Land for this expansion project has been taken on lease from Rathi Properties LLC and the lease is further renewable on December 31, 2016.

(a) Plant and machinery

The following table sets out the details of the Plant and machinery and the estimated cost break-up:

Date of Quotation	Name of Party	Particulars	Amount in ₹
10-Dec-12	R-Cold, Including Cold Storage & Environmental System Contractor	Holding Cooler	8,251,113
12-Oct-12	Hawthorne Lift Systems	Racking For The Ware House	1,344,338
12-Oct-12	Hawthorne Lift Systems	Racking For Cooler Box	1,166,616
16-Aug-12	Pharma Fab Industires	V-Blender	6,260,687
2-Nov-12	Jagdish Patel P.E.	Engineering cost for V-blender room	1,102,357
17-Aug-12	Gansons Limited	GansonsVee-Blender, GMP Model 3600 L	2,782,500
17-Aug-12	Gansons Limited	GansonsVee-Blender, GMP Model 2200 L	2,377,500
4-Dec-12	Amkette Analytics Ltd.	Analytical balance	67,500
4-Dec-12	Amkette Analytics Ltd.	Analytical balance	117,000
4-Dec-12	Amkette Analytics Ltd.	Semi micro analytical balance	210,000
4-Dec-12	Amkette Analytics Ltd.	Semi micro analytical balance	108,750
4-Dec-12	Amkette Analytics Ltd.	IR Moisture balance	217,500
1-Mar-13	Amkette Analytics Ltd.	Water Bath	510,882
2-Mar-13	Amkette Analytics Ltd.	Glass ware washer drier	709,463
2-Mar-13	Amkette Analytics Ltd.	Ultra pure water system	337,500
2-Mar-13	Amkette Analytics Ltd.	Prefiltration kit for water system	25,000
13-Feb-13	Toshvin Analytical	UV Visible Spectrophotometer	1,134,976
15-Feb-13	Shimadzu	Ultra fast triple quadrupole LCMS	13,355,866
14-Feb-13	Toshvin Analytical	Triple Quadrupole GC-MS system	11,129,307
16-Mar-13	Raj Process Equipments and Systems Pvt. Ltd	Fermenters	120,000,000
	TOTAL		**171,208,855**

(b) Civil, Electrical and other works

Cal India has already incurred ₹ 15.86 Million on civil, electrical and other works for the proposed expansion project. Hence, the pending amount to be incurred towards civil, electrical and other works amounts to ₹ 29.96 Million, the details of which are set out in the table detailed below:

Date of Quotation	Name of Party	Particulars	Amount in ₹
21-Feb-13	Spirit Drywall Development INC	Construction	13,443,375
4-Jan-13	Raul Figueroa	Leasehold Improvements	11,138,535
1-Nov-12	Raul Figueroa	Leasehold Improvements	5,377,350
	TOTAL		**29,959,260**

5. Acquisitions & Other Strategic Initiatives

We have concluded two acquisitions from our promoters and promoter group, in the recent past to enhance our global presence and consolidate our overall business. The acquisition of these two companies in United States (Cal India Foods International, doing business as Specialty Enzymes and Biotechnologies, and Advanced Supplementary Technologies Corporation) has enabled us to tap their large client base, thereby enhancing our presence in the North American market and widening our customer base. This acquisition has also helped our Company in enhancing our product portfolio by having access to the proprietary customised solutions offered by these two companies.

We seek to further enhance our overall position in the global enzyme industry and our geographical reach, especially in North America and Europe, in line with our business strategy. In pursuit of this, we continuously evaluate inorganic opportunities for expanding our international footprint, augmenting our manufacturing capacities, strengthening our research & development capabilities, and acquiring technologies which can enable us to maintain / improve our cost leadership.

Towards this end, we propose to acquire target companies that offer strong strategic fit to our existing business, possess domain / technology expertise, and have a good client base, strong management team and wide selling and marketing network. This shall enable us to augment our product / service offerings, add more customers each year and better our service standards continuously by providing our clientele with a wide choice of products and flexibility to meet their changing needs. This will also enable us to consolidate our sourcing needs, giving us better buying power and yielding cost savings.

We plan to enter into non-binding letters of intent, once the potential target company has been identified, evaluate the risks associated with such an acquisition and then either enter into a binding agreement with the target company, if we decide to go ahead with the acquisition. As of the date of this Draft Red Herring Prospectus, we have identified few potential targets and are in active negotiations with them. However, we have not yet entered into any definitive /contractual commitments for any acquisition, investment or joint venture.

Based on the above, we intend to utilize ₹ 100 Million from the Net Proceeds of the Fresh Issue towards such potential acquisitions and strategic initiatives. The above amount is based on the management's current estimates of the amounts to be utilised towards these objects considering the specifics of our discussions and negotiations with potential target companies, and the nature of strategic initiatives currently being undertaken by us. The actual deployment of funds would, of course, depend on a number of factors, including the timing of acquisitions, number of acquisitions, the size of the target companies and the nature of the strategic initiatives undertaken. These factors will also determine the form of investment for these potential acquisitions and strategic initiatives, i.e. whether equity, debt or any other instrument, which as on the date of this Draft Red Herring Prospectus, has not been decided. The proceeds allocated towards acquisitions may not be the total value of the acquisitions or cost towards strategic initiatives, but is expected to provide us with sufficient financial leverage to enter into binding agreements.

In the event that there is a shortfall of funds required for such acquisitions and / or strategic initiatives then, such shortfall shall be met out of the amounts allocated for general corporate purposes and / or through internal accruals. In case the shortfall cannot be met through these sources, then we may borrow additional funds from the domestic / international markets for this purpose.

6. General Corporate Purposes

The Net Proceeds of the Fresh Issue will be first utilised towards the aforesaid items and the balance is proposed to be utilised for general corporate purposes including but not restricted to brand building & marketing expenses, strategic initiatives, partnerships, joint ventures and acquisitions, meeting exigencies, other than those mentioned above, which the Company in the ordinary course of business may face, or any other purposes as approved by the Board subject to compliance with the necessary provisions of the Companies Act.

We, in accordance with the policies of our Board, will have flexibility in utilising the Net Proceeds of the Fresh Issue for general corporate purposes, as mentioned above, subject to such utilization not exceeding 25% of the Net Proceeds, in compliance with the SEBI Regulations. The quantum of utilization of funds towards each of the above purposes will be determined by the Board, based on the amount actually available under this head of and the business requirements of the Company, from time to time.

MEANS OF FINANCE

We propose to meet the requirement of the Objects of the Issue entirely out of the Net Proceeds of the Issue and hence, no amount is proposed to be raised through any other means of finance. Accordingly, Clause VII C of Part A of Schedule VIII of the SEBI Regulations (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance, excluding the amount to be raised through the proposed issue) does not apply. In case of a shortfall in the Net Proceeds, we may explore a range of options including utilizing our internal accruals, and / or seeking additional debt from existing and / or other lenders.

PROJECT APPRAISAL

None of the Objects of the Issue have been appraised by any bank or financial institution.

BRIDGE FINANCING FACILITIES

The Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus.

INTERIM USE OF NET PROCEEDS OF THE ISSUE

The Company, in accordance with the policies formulated by its Board from time to time, will have flexibility in deploying the Net Proceeds of the Fresh Issue. The particular composition, timing and schedule of deployment of the Net Proceeds of the Fresh Issue will be determined by the Company based on the development of the projects and market circumstances. Pending utilisation of Net Proceeds of the Fresh Issue for the purposes described above, the Company intends to temporarily utilize the funds for reducing working capital, investing the funds in interest bearing liquid instruments including deposits with banks, corporates and investments in money market mutual funds and other financial products and investment grade interest bearing securities as may be approved by the Board.

ISSUE EXPENSES

The total expenses of the Issue are estimated to be approximately ₹ [●] Million. The Issue related expenses include, among others, Issue management fees, underwriting fees, selling commissions/brokerage, SCSBs' commissions/ fees, printing and distribution expenses, legal counsel fees, statutory advertisement expenses, marketing and roadshow expenses, registrar and depository fees, auditor fees, filing fees, fees for usage of book building facility and listing fees etc.

All the Issue Related expenses shall be shared by the Company and the Selling Shareholder in proportion of the number of Equity Shares issued in the Fresh Issue and the Offer for Sale, respectively.

Activity	**Expenses* (In ₹ Million)**	**Percentage of the Issue Expenses***	**Percentage of the Issue size***
Lead management fees	[●]	[●]	[●]
Underwriting commissions, brokerages and selling commissions (including commissions to SCSBs for ASBA Applications and Registered brokers)	[●]	[●]	[●]
Processing fees to the SCSBs for processing ASBA Forms procured by the Syndicate or Registered Brokers and submitted to the SCSBs			
Advertising and marketing expenses	[●]	[●]	[●]
Printing, stationery and distribution expenses	[●]	[●]	[●]
Registrar's fees	[●]	[●]	[●]
Fees paid to the Bankers to the Issue	[●]	[●]	[●]
Fees paid to the IPO Grading Agency	[●]	[●]	[●]
Listing fees and other costs associated with listing including SEBI fees, processing fees of Stock Exchanges, bidding software expenses, depository charges etc.	[●]	[●]	[●]
Others (audit fees, legal fees etc.)	[●]	[●]	[●]
Total estimated Issue expenses*	[●]	[●]	[●]

**Will be incorporated after finalisation of the Issue Price.*

MONITORING OF UTILISATION OF FUNDS

Our Board and Audit Committee shall monitor the utilisation of the Net proceeds of the Fresh Issue. We will disclose the utilisation of the Net Proceeds under a separate head along with details, if any in relation to all such proceeds of the Issue that have not been utilised thereby also indicating investments, if any, of such unutilised proceeds of the Issue in our balance sheet for the relevant financial years commencing from [●].

Pursuant to clause 49 of the Listing Agreement, our Company shall, on a quarterly basis, disclose to its Audit Committee the uses and applications of the Net Proceeds of the Fresh Issue. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in the Red Herring Prospectus and Prospectus and place it before the Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds of the Fresh Issue have been utilised in full. The statement shall be certified by the statutory auditors of our Company. Furthermore, in accordance with clause 43A of the Listing Agreement, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement including material deviations if any, in the utilisation of the process of the Issue from the objects of the

Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee.

OTHER CONFIRMATIONS

None of the equipment described above, across various proposed projects is used / second hand in nature, and we do not propose to purchase any used / second hand equipment from the Net Proceeds of the Fresh Issue.

The Promoters, Directors, Key Managerial Personnel and the Group Companies do not have any existing or anticipated interest in the proposed acquisition of the equipment/plant and machinery, or in the entity from whom we have obtained quotations for the same.

The prices for the equipment proposed to be purchased as set out above, are as per the quotations received from the respective suppliers. We will obtain fresh quotations at the time of actual placement of the order for the respective equipments. The actual cost would thus depend on the prices finally settled with the suppliers and to that extent may vary from the above estimates.

No part of the Net Proceeds of the Fresh Issue will be paid by our Company, as consideration to the Promoter, the Directors, the Company's key management personnel or the Group Companies, except in the ordinary course of business.

There are no existing material or anticipated transactions in relation to the utilisation of Net Proceeds of the Fresh Issue with any of the Promoters, Directors, Key Management Personnel, associates or group companies.

BASIS FOR ISSUE PRICE

The Price Band for the Issue and the Final Issue Price will be decided by our Company and the Selling Shareholders in consultation with the BRLMs on the basis of assessment of market demand for the offered Equity Shares through the Book Building Process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Shares is ₹ 10 per share and the Issue Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Investors should also refer to the sections "Business Overview", "Risk Factors" and "Financial Statements" on pages 187, 14 and 257, respectively, to get a more informed view before making the investment decision.

QUALITATIVE FACTORS

The key competitive strengths of the Company include the following:

- Research Driven Company with Strong enzyme development and manufacturing capabilities
- Integrated Player with presence across the Enzyme Value Chain
- Experienced Promoters and Strong Management Team
- Specialized Business with high entry barriers
- Strong Sales & Marketing network in India & North America with growing presence in target markets
- Wide Product Portfolio and Customer Base

For a detailed discussion of the above factors, see the section "Our Business" and "Risk Factors" beginning on page 187 and 14 of this Draft Red Herring Prospectus.

QUANTITATIVE FACTORS

Information presented in this section is derived from our Company's restated consolidated financial statements prepared in accordance with the Companies Act and the SEBI Regulations and included in this Draft Red Herring Prospectus. For more details on the financial information, see the section titled "Auditors' Report and Financial Statements" on page 257.

Basic and Diluted Earnings Per Share (EPS)

Period	Consolidated Basic and Diluted Earnings Per Share (₹)	Weights
Fiscal 2012	16.39	3
Fiscal 2011	8.03	2
Fiscal 2010	5.53	1
Weighted Average	**11.79**	
Six months ending September 30, 2012 (not annualized)	13.29	

Price Earning Ratio (P/E) in relation to the Price Band of ₹ [●] to ₹ [●] per Equity Share
P/E based on Consolidated Basic and Diluted EPS for the year ended March 31, 2012:

Particulars	**P/E**
P/E based on Consolidated Basic and Diluted EPS of 16.39 for the year ended March 31, 2012 at the Floor Price	[●]

P/E based on Consolidated Basic and Diluted EPS of 16.39 for the year ended March 31, 2012 at the Cap Price	[●]

There are no comparable listed companies with the same business as our Company.

Return on Net Worth as per our restated consolidated financial statements:

Period	Consolidated (%)	Weight
Fiscal 2012	35.02%	3
Fiscal 2011	26.32%	2
Fiscal 2010	23.97%	1
Weighted Average	**30.28%**	
Six months ending September 30, 2012 (not annualized)	19.90%	

Minimum Return on Increased Net Worth required to maintain Pre-Issue EPS

The minimum return on increased net worth required to maintain Consolidated pre-Issue Basic and Diluted EPS for the year ended March 31, 2012 is [●] at the Floor Price and [●] at the Cap Price.

Net Asset Value per Equity Share

- Net Asset Value per Equity Share of ₹ 10 each as on September 30, 2012 (on consolidated basis): ` 65.38;
- Net Asset Value per Equity Share of ₹ 10 each after the Issue (on consolidated basis) is :[●]
- Issue Price per Equity Share of ₹ 10 each: [●].

The Issue Price per Equity Share will be determined on conclusion of the book building process.

There are no comparable listed companies with the same business as our Company.

The face value of Equity Shares of our Company is ₹ 10 per Equity Share and the Issue Price is [●] times the face value at the Floor Price and [●] times the face value at the Cap Price.

This Issue Price of [●] per Equity Share has been determined by the Company and the Selling Shareholders, in consultation with the BRLMs, on the basis of the demand from investors for the Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters. Prospective investors should also review the entire Red Herring Prospectus, including, in particular, the sections titled "Risk Factors", "Industry Overview", "Our Business" and "Financial Information" at pages 14, 153,187 and 257 of this Draft Red Herring Prospectus to obtain a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the section "Risk Factors" on page 14 of this Draft Red Herring Prospectus and you may lose all or part of your investments.

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STATEMENT OF TAX BENEFITS

To,
The Board of Directors,
Advanced Enzyme Technologies Limited,
Sun-Magnetica, 5th Floor, LIC Service Road,
Louiswadi, Thane (W), Mumbai - 400604.

Dear Sirs,
Subject: Statement of Possible Tax Benefits

We hereby certify that the enclosed annexure states the possible tax benefits available to **Advanced Enzyme Technologies Limited** (the "Company") and to the Equity Shareholders of the Company under the provisions of the Income-tax Act, 1961 and Wealth Tax Act, 1957, presently in force in India. Several of these benefits are dependent on the Company or its Equity Shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its Equity Shareholders to derive tax benefits is dependent upon fulfilling such conditions.

The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. A shareholder is advised to consult his/ her/ their own tax consultant with respect to the tax implications arising out of their participation in the proposed Initial Public Offer of Equity Shares of the Company particularly in view of ever changing tax laws in India.

We do not express any opinion or provide any assurance as to whether:

a) The Company or its Equity Shareholders will continue to obtain these benefits in future; or
b) The conditions prescribed for availing the benefits have been / would be met.

The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company as well as the provisions of the Income- Tax Act, 1961 and Wealth Tax Act, 1957 as of date. We have not considered the implications of the proposals under the Finance Bill, 2013 which are yet to be enacted.

This report is intended solely for your information and for the inclusion in the Offer Document in connection with the proposed Initial Public Offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Walker, Chandiok & Co
Chartered Accountants
Firm Registration No: 001076N

per Khushroo B. Panthaky
Partner
Membership No. F-42423

Place: Mumbai
Date: March 25, 2013

STATEMENT OF TAX BENEFITS

The information provided below sets out the possible tax benefits available to the Company and the Equity Shareholders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares, under the current tax laws presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.

Levy of Income Tax

As per the provisions of the Income Tax Act, 1961 ("**Act**") taxation of a person is dependant on its tax residential status. The Indian tax year runs from April 1 to March 31.

In general, in the case of a person who is "resident" in India in a tax year, its global income is subject to tax in India. In the case of a person who is "non-resident" in India, only the income that is received or deemed to be received or that accrues or is deemed to accrue or arise to such person in India is subject to tax in India. In the instant case, the income from the Equity Shares of the Company would be considered to accrue or arise in India, and would be taxable in the hands of all persons irrespective of residential status. However, relief may be available under applicable Double Taxation Avoidance Agreement ("DTAA") to certain non-residents.

An **individual** is considered to be a **resident** of India during any financial year if he or she is in India in that year for:

- A period or periods amounting to 182 days or more; or
- 60 days or more if within the 4 preceding years, he/she has been in India for a period or periods amounting to 365 days or more; or
- 182 days or more, in the case of a citizen of India or a person of Indian origin living abroad who visits India; or
- 182 days or more, in the case of a citizen of India who leaves India for the purposes of employment outside India in any previous year.

A **Hindu undivided Family (HUF), firm or other association of persons (AOP)** is resident in India except where the control and management of its affairs is situated wholly outside India.

A "**company"** is "**resident**" in India if it is formed and registered in accordance with the Indian Companies Act or if the control and management of its affairs is situated wholly in India in a tax year.

A "**Non-Resident**" means a person who is not a resident in India.

A person is said to be **not ordinarily resident** in India in any previous year if such person is:

- a non-resident in India in 9 out of the 10 previous years preceding that year, or has during the 7 previous years preceding that year been in India for a period of, or periods amounting in all to, 729 or less; or

- a Hindu undivided family whose manager has been a non-resident in India in 9 out of the 10 previous years preceding that year, or has during the 7 previous years preceding that year been in India for a period of, or periods amounting in all to, 729 or less.

As per the taxation laws in force, the tax benefits / consequences, as applicable, to the Company and its Equity Shareholders investing in the Equity Shares are summarized below:

1 BENEFITS AVAILABLE TO THE COMPANY - UNDER THE INCOME-TAX ACT, 1961 (the "Act")

Special Tax Benefits

1.1 Income from Special Economic Zone exempt under Section 10AA of the Act

As per the provisions of Section 10AA of the Act and subject to conditions prescribed there under, deduction to the extent of 100% of profits derived from export of manufactured articles or things or services is available for a period of consecutive five Assessment Year's ("**AY**") beginning with the AY in which the unit in a Special Economic Zone ("**SEZ**") begins to manufacture or produce such article, things or provide services and 50% of such profits and gains for subsequent five AYs. Further, for next five consecutive AYs, deduction is available to the extent of 50% of the profits debited to the Profit & Loss Account and credited to Special Economic Zone Re-investment Reserve Account to be created and utilized in specified manner.

The Company has set up a unit in Pithampur SEZ which, as informed to us, is eligible for deduction under Section 10AA of the Act and has already utilized tax benefits for four AYs till AY 2012-13 (relevant to the Financial Year ("**FY**") 2011-12).

However, as per Section 115JB of the Act, Minimum Alternate Tax at the rate of 18.5% (plus applicable surcharge, education cess and education cess) on book profit as computed under the said Section, irrespective of the tax benefits available under Section 10AA of the Act.

1.2 Deduction for in-house scientific research expenditure under Section 35(2AB) of the Act

In accordance with and subject to the conditions specified under Section 35(2AB) of the Act, a company engaged in the business of bio-technology or in any business of manufacture or production of any article or thing (not specified in the Eleventh Schedule of the Act) is entitled to deduction of 200% of any expenditure on scientific research (not being expenditure in the nature of cost of any land or building) on in-house research and development facility as approved by Department of Scientific & Industrial Research, Government of India. The deduction is available subject to fulfillment of conditions prescribed under the said Section.

The Company has three laboratories in India conducting in-house research. As of now, only one laboratory has received approval from Department of Scientific & Industrial Research. The two laboratories are in the process of obtaining approval. Such laboratories, as informed to us, are/would be eligible for deduction under Section 35(2AB) of the Act.

1.3 Foreign Dividends taxable under Section 115BBD of the Act

As per section 115BBD of the Act, dividends received from a foreign company in which equity shareholding is 26 per cent or more shall be taxed at the rate of 15 per cent ((plus applicable surcharge, education cess and education cess)

However, while computing income, any expenditure incurred for earning such dividends shall not be allowed as deduction from such dividends.

General Tax Benefits

1.4 **Dividends exempt under Section 10(34) of the Act**

Under Section 10(34) of the Act, income by way of "dividends" received on the shares of any domestic company is exempt from income tax in the hands of shareholders. However, no deduction is permitted in respect of expenditure incurred in relation to income which is not chargeable to tax. The expenditure relatable to "exempt income" need to be determined in accordance with the provisions specified in Section 14A of the Act read with Rule 8D of the Income Tax Rules, 1962 ("**Rules**").

However, the Company will be liable to pay Dividend Distribution Tax (''**DDT**") at 15 per cent (plus applicable surcharge, education cess and education cess) on the total amount distributed as dividends. In calculating the amount of dividend on which DDT is payable, the same shall be reduced by dividend, if any, received by the Company during the FY, where:

- such dividend is received from subsidiary of the Company (A company shall be a subsidiary of another company, if such other company, holds more than half in nominal value of the equity share capital of the company); and

- such subsidiary has paid tax under this Section on such dividend.

1.5 Under Section 10(35) of the Act, any income received in respect of the units of a Mutual Fund specified in Section 10(23D) of the Act; or units from the Administrator of the specified undertaking; or units from the specified company, as defined in Explanation to Section 10(35) of the Act, is exempt from tax. However, as per the proviso, the above provisions are not apply to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified company or of a mutual fund.

1.6 Under Section 32(1) of the Act, the Company can claim depreciation allowance at the prescribed rates on tangible assets such as building, plant and machinery, furniture and fixtures, etc and intangible assets defined to include patent, trademark, copyright, know-how, licenses, franchises or any other business or commercial rights of similar nature, if such intangible assets are acquired after 31st March 1998.

1.7 As per provision of Section 32(1)(iia) of the Act, the Company is entitled to claim additional depreciation at the rate of 20% of the actual cost of any new machinery or plant, subject to fulfillment of following conditions:

- new asset is acquired and installed after 31 March 2005;

- additional depreciation shall be available on all new plant and machinery acquired other than the following assets:

- ships and aircraft;

- any machinery or plant which, before its installation by the company, was used either within or outside India by any other person;

- any machinery or plant installed in any office premises or any residential accommodation, including accommodation in the nature of a guest-house;

- any office appliances or road transport vehicles; or

- any machinery or plant, the whole of the actual cost of which is allowed as a deduction in computing the income under the head Profits and gains from business and profession for any year.

1.8 Under Section 32(2) of the Act, where full effect cannot be given to any depreciation allowance under Section 32(1) of the Act in any FY, owing to there being no profits or gains chargeable for that FY, or owing to the profits or gains chargeable being less than depreciation allowance, then, subject to the provisions of Section 72(2) of the Act, depreciation allowance or the part of depreciation allowance to which effect has not been given, as the case may be, shall be added to the amount of the depreciation allowance for the following FY and deemed to be part of that depreciation allowance, or if there is no such depreciation allowance for that FY, be deemed to be the depreciation allowance for that FY, and so on for the succeeding FYs.

1.9 Under Section 115JAA of the Act, tax credit shall be allowed in respect of Minimum Alternate Tax ("MAT") paid under Section 115JB of the Act for any AY commencing on 1 April 2006 and any subsequent AY. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Act. The credit is available for set off only when tax becomes payable under the normal provisions of the Act. The tax credit can be utilized to the extent of difference between the tax under the normal provisions of the Act and tax payable under MAT for that year. Credit in respect of MAT shall be available for set-off up to 10 AYs immediately succeeding the AY for which the MAT credit initially arose.

1.10 **Capital Gains**

1.10.1 Capital assets may be categorised into short-term capital assets and long-term capital assets, based on the period of holding. Shares in a company, listed securities or units or zero coupon bonds will be considered as long-term capital assets if they are held for a period exceeding 12 months.

1.10.2 Under Section 10(38) of the Act, long term capital gains arising to a shareholder on transfer of shares in the company or units of an equity oriented fund are exempt from tax, where the sale transaction has been entered into on a recognized stock exchange of India and Securities Transaction Tax ("STT") has been paid on the same. However, profits on transfer of above referred long term capital assets shall not be reduced in computing the "book profits" for the purposes of computation of MAT under Section 115 JB of the Act.

1.10.3 Section 48 of the Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition / improvement and expenses incurred wholly and exclusively in connection with the transfer of a capital asset from the sale consideration to arrive at the amount of capital gains. However, second proviso to Section 48 of the Act permits substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, thereby adjusting the cost of acquisition / improvement by a cost inflation index, as prescribed. Indexed cost of acquisition means the cost of acquisition multiplied by CII of the FY in which the asset is transferred and divided by the CII of the first FY during which the asset was first held by the tax payer.

1.10.4 Under Section 112 of the Act, long term capital gains, [other than those exempt under Section 10(38) of the Act] arising on transfer of listed equity shares in the company, would be subject to tax at a rate of 20 per cent (plus applicable surcharge and education cess) after indexation or 10 per cent (plus applicable surcharge and education cess) without indexation, whichever is lower.

1.10.5 Under Section 54EC of the Act and subject to the conditions specified therein, long-term capital gains arising on the transfer of equity shares of the company would be exempt from tax if such capital gains is invested within 6 months after the date of such transfer in specified assets, being bonds issued by:

a) National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988; and

b) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

The investment made in such bonds during any financial year cannot exceed ₹ 5,000,000.

If only part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within 3 years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year of such transfer or conversion.

Since long term capital gains arising under Section 10(38) of the Act are not taxable, there is no requirement for making investment under Section 54EC of the Act in such cases.

1.10.6 Under Section 111A of the Act, short-term capital gains arising on transfer of equity share in the company would be taxable at 15 per cent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and STT has been paid on the same. Short-term capital gains arising from transfer of shares in the Company, other than those covered by Section 111A of the Act, would be subject to tax under the normal provisions of the Act

1.11 Under Section 72(1) of the Act, where for any FY, the net result of the computation under the head “Profits and Gains of Business or Profession” is a loss to the Company (not being a loss sustained in a speculation business), then to the extent to which such loss cannot be set off against income from any other head of income for the same year, it shall be eligible to be carried forward and available for set off only against income from business under head “Profits and Gains of Business or Profession” for subsequent years. As per Section 72(3) of the Act, the loss so carried forward can be set off subject to a limit of 8 FYs immediately succeeding the FY for which the loss was first computed. However, as per Section 80 of the Act, only a loss which has been determined in pursuance of a return filed within the due date in accordance with the provisions of Section 139(3) of the Act shall be carried forward and set off under Section 72(1) of the Act.

1.12 As per provisions of Section 80G of the Act, the Company is entitled to claim deduction in respect of donations made to specified organisations subject to, specified limit and fulfillment of the conditions specified in that section.

2 BENEFITS AVAILABLE TO RESIDENT SHAREHOLDERS UNDER THE ACT

Special Tax Benefits

There are no special tax benefits available to the resident shareholders with regards to the investment made in the shares of the Company. However, the shareholders are entitled to the general tax benefits which are discussed herein below.

General Tax Benefits

2.1. **Dividends exempt under Section 10(34) of the Act**

Under Section 10(34) of the Act, income by way of "dividends" received on the Equity Shares of the Company is exempt from income tax in the hands of shareholders. However, the Company will be liable to pay DDT at 15 per cent (plus applicable surcharge and education cess) on the total amount distributed as dividends. As a result, no taxability arises in the hands of the shareholders in respect of dividends received from the Indian Company. No deduction is permitted in respect of expenditure incurred by any person in relation to income which is not chargeable to tax. The expenditure relatable to "exempt income" need to be determined in accordance with the provisions specified in Section 14A of the Act read with Rule 8D of the Rules.

2.2. **Capital gains**

2.2.1. Capital assets may be categorized into short term capital assets and long term capital assets, based on the period of holding. Equity Shares held in the Company will be considered as long term capital assets if they are held for a period exceeding 12 months. Consequently, capital gains arising on sale of such assets held for more than 12 months are considered as "long term capital gains". Capital gains arising on sale of said assets held for 12 months or less are considered as "short term capital gains".

2.2.2. Section 48 of the Act, prescribes the mode of computation of capital gains, and provides for deduction of cost of acquisition / improvement and expenses incurred wholly and exclusively in connection with the transfer of a capital asset from the sale consideration to arrive at the amount of capital gains. However, second proviso to Section 48 of the Act permits substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, thereby adjusting the cost of acquisition / improvement by a cost inflation index, as prescribed. Indexed cost of acquisition means the cost of acquisition multiplied by CII of the FY in which the asset is transferred and divided by the CII of the first FY during which the asset was first held by the tax payer.

2.2.3. Under Section 10(38) of the Act, long term capital gains arising to a shareholder on transfer of Equity Shares in the Company are exempt from tax, where the sale transaction has been entered into on a recognized stock exchange of India and STT has been paid on the same. However, in case of shareholder being a company, profits on transfer of above referred long term capital asset shall not be reduced in computing the "book profits" for the purposes of computation of MAT under Section 115 JB of the Act.

2.2.4. Under Section 54EC of the Act and subject to the conditions specified therein, long-term capital gains arising on the transfer of Equity Shares of the Company would be exempt from tax if such capital gains is invested in **certain notified bonds** within 6 months after the date of such transfer in specified assets, being bonds issued by:

a) National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988; and

b) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

The investment made in such bonds during any financial year cannot exceed ₹ 5,000,000.

If only part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within 3 years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year of such transfer or conversion.

Since long term capital gains arising under Section 10(38) of the Act are not taxable, there is no requirement for making investment under Section 54EC of the Act in such cases.

2.2.5. Under Section 54F of the Act and subject to the conditions specified therein, long-term capital gains [other than those exempt from tax under Section 10(38) of the Act] arising to an individual or a Hindu Undivided Family ("HUF") on transfer of Equity Shares of the Company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.

Since long term capital gains arising under Section 10(38) of the Act are not taxable, there is no requirement for making investment under Section 54F of the Act in such cases.

2.2.6. Under Section 112 of the Act, long term capital gains, [other than those exempt under Section 10(38) of the Act] arising on transfer of listed Equity Shares in the Company, would be subject to tax at a rate of 20 per cent (plus applicable surcharge and education cess) after indexation or 10 per cent (plus applicable surcharge and education cess) without indexation, whichever is lower.

2.2.7. Under Section 111A of the Act, short-term capital gains arising on transfer of Equity Share in the Company would be taxable at 15 per cent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and STT has been paid on the same. Short-term capital gains arising from transfer of Equity Shares in the Company, other than those covered by Section 111A of the Act, would be subject to tax under the normal provisions of the Act.

2.3. **Business Profits**

2.3.1. Where the Equity Shares form part of stock-in-trade, any income realized from disposition of the equity shares will be chargeable under the head "Profits and gains of business or profession" as per the provisions of the Act.

2.3.2. Please note that the characterization of the gains/losses, arising from sale of Equity Shares, as capital gains or business income would depend on the nature of holding in the hands of the shareholder and various factors connected with the facts of the same. The nature of the equity shares held by the shareholder (i.e. whether held as 'investment' or as 'stock-in-trade') is usually determined inter-alia on the basis of the substantial nature of the transactions, the manner of maintaining books of account, the magnitude of purchases and sales and the ratio between purchases and sales and the holding period.

2.3.3. As per Section 36(xv) of the Act, an amount equal to the STT paid by the assessee in respect of the taxable securities transactions entered into in the course of his business during the previous year will be allowable as deduction, if the income arising from such taxable securities transactions is included in the income computed under the head "Profits and gains of business or profession".

2.4. Any Income received by any person for or an behalf of the New Pension System Trust established on 27/02/2008, under the Indian Trust Act, 1882 (2 of 1882) is exempt from tax and is also not subject to DDT.

3 BENEFITS AVAILABLE TO NON-RESIDENTS (OTHER THAN FOREIGN INSTITUTIONAL INVESTORS) UNDER THE ACT

Special Tax Benefits

There are no special tax benefits available to the non-resident shareholders with regards to the investment made in the shares of the Company. However, the shareholders are entitled to the general tax benefits which are discussed herein below.

General Tax Benefits

3.1. **Dividends exempt under Section 10(34) of the Act**

3.1.1. Under Section 10(34) of the Act, income by way of "dividends" received on the Equity Shares of the Company is exempt from income tax in the hands of shareholders. However, the Company will be liable to pay DDT at 15 per cent (plus applicable surcharge and education cess) on the total amount distributed as dividends. As a result, no taxability arises in the hands of the shareholders in respect of dividends received from the Indian Company. No deduction is permitted in respect of expenditure incurred by any person in relation to income which is not chargeable to tax. The expenditure relatable to "exempt income" need to be determined in accordance with the provisions specified in Section 14A of the Act read with Rule 8D of the Rules.

3.2. **Capital gains**

3.2.1. Capital assets may be categorized into short term capital assets and long term capital assets, based on the period of holding. Equity Shares held in the Company will be considered as long term capital assets if they are held for a period exceeding 12 months. Consequently, capital gains arising on sale of such assets held for more than 12 months are considered as "long term capital gains". Capital gains arising on sale of said assets held for 12 months or less are considered as "short term capital gains".

3.2.2. Under Section 10(38) of the Act, long term capital gains arising to a shareholder on transfer of Equity Shares in the Company are exempt from tax, where the sale transaction has been entered into on a recognized stock exchange of India and STT has been paid on the same. However, in case of shareholder being a company and liable to MAT in India, profits on transfer of above referred long term capital asset shall not be reduced in computing the "book profits" for the purposes of computation of MAT under Section 115 JB of the Act.

3.2.3. Under the first proviso to Section 48 of the Act, in computing the capital gains arising from transfer of Equity Shares of the Company acquired in convertible foreign exchange, protection is provided to a non resident shareholder from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case. The capital gains/ loss in such a case is computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer into the same foreign currency which was utilized in the purchase of the Equity Shares.

3.2.4. Under Section 112 of the Act, long term capital gains, [other than those exempt under Section 10(38) of the Act] arising on transfer of listed Equity Shares in the Company, would be subject to tax at a rate of 20 per cent (plus applicable surcharge and education cess) after indexation or 10 per cent (plus applicable surcharge and education cess) without indexation, whichever is lower. However, there are divergent views given by the Indian judicial authorities in this regard.

3.2.5. Under Section 54EC of the Act and subject to the conditions specified therein, long-term capital gains arising on the transfer of Equity Shares of the Company would be exempt from tax if such capital gains is invested within 6 months after the date of such transfer in specified assets, being bonds issued by (to the extent permitted under prevalent laws):

a) National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988; and

b) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

The investment made in such bonds during any financial year cannot exceed ₹ 5,000,000.

If only part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within 3 years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year of such transfer or conversion.

Since long term capital gains arising under Section 10(38) of the Act are not taxable, there is no requirement for making investment under Section 54EC of the Act in such cases.

3.2.6. Under Section 54F of the Act and subject to the conditions specified therein, long-term capital gains [other than those exempt from tax under Section 10(38) of the Act] arising to an individual or a HUF on transfer of Equity Shares of the Company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.

Since long term capital gains arising under Section 10(38) of the Act are not taxable, there is no requirement for making investment under Section 54F of the Act in such cases.

3.2.7. Under Section 111A of the Act, short-term capital gains arising on transfer of Equity Share in the Company would be taxable at 15 per cent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and STT has been paid on the same. Short-term capital gains arising from transfer of Equity Shares in the Company, other than those covered by Section 111A of the Act, would be subject to tax under the normal provisions of the Act

3.3. **Business Profits**

3.3.1. Where the Equity Shares form part of stock-in-trade, any income realized from disposition of the equity shares will be chargeable under the head "Profit and gains of business or profession" as per the provisions of the Act.

3.3.2. Please note that the characterization of the gains/losses, arising from sale of Equity Shares, as capital gains or business income would depend on the nature of holding in the hands of the shareholder and various factors connected with the facts of the same. The nature of the equity shares held by the shareholder (i.e. whether held as 'investment' or as 'stock-in-trade') is usually determined inter-alia on the basis of the substantial nature of the transactions, the manner of maintaining books of account, the magnitude of purchases and sales and the ratio between purchases and sales and the holding period.

3.3.3. As per Section 36(xv) of the Act, an amount equal to the STT paid by the assessee in respect of the taxable securities transactions entered into in the course of his business during the previous year will be allowable as deduction, if the income arising from such taxable securities transactions is included in the income computed under the head "Profits and gains of business or profession".

3.4. As per Section 90(2) of the Act, provisions of the DTAA between India and the country of residence of the non-resident would prevail over the provisions of the Act, to the extent they are more beneficial to the non-resident. As per the amendment introduced by Finance Act, 2012, Section 90(4) has been inserted which provides that an assessee being a non-resident, shall not be entitled to claim any relief under Section 90(2) unless a certificate containing such particulars as may be prescribed, of his being a resident in any country outside India, is obtained by him from the government of that country or any specified territory.

In other words, the tax payers shall be entitled to be governed by the provisions of the DTAA only when they obtain a tax residency certificate (containing particulars as may be prescribed) from the Government of the country of residence of such non-resident tax payer.

3.5. **Special benefit available to Non-resident Indian Shareholders**

Where Equity Shares of the Company have been subscribed by Non-Resident Indians ("NRI") i.e. an individual being a citizen of India or person of Indian origin who is not a resident, in convertible foreign exchange, they have the option of being governed by the provisions of Chapter XIIA of the Act, which *inter alia* entitles them to the following benefits:

3.5.1. Under Section 115E of the Act, where the total income of a NRI includes capital gains arising from the transfer of long term capital asset, being Equity Shares in the Company subscribed in convertible foreign exchange, such capital gains shall be taxed at a concessional rate of 10 per cent (plus applicable surcharge and education cess). The benefit of indexation of cost would not be available.

3.5.2. Under provisions of Section 115F of the Act, any long term capital gains arising from the transfer of a foreign exchange asset arising to a NRI shall be exempt from tax if the entire net consideration is reinvested in specified assets within six months of the date of the transfer. If only a part of the net consideration is reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax as "capital gains" subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition. The taxability shall arise in the year in which the transfer or conversion, as the case may be, takes place.

3.5.3. Under the provisions of Section 115G of the Act, NRI's are not required to file a return of income under Section 139(1) of the Act, if the income chargeable under the Act consists of only investment income or capital gains arising from the transfer of specified long term capital asset or both; arising out of assets acquired, purchased or subscribed in convertible foreign exchange and provided tax deductible at source has been deducted there from as per the provisions of Chapter XVII-B of the Act.

3.5.4. As per the provision of Section 115H of the Act, where a person who is NRI in any previous year, becomes assessable as resident in India in respect of total income of any subsequent year, the provisions of Chapter XII-A shall continue to apply to him in relation to the investment income derived from any foreign exchange asset being an assets specified under sub clause (ii), (iii), (iv) or (v) of Section 115(C)(f) for that AY and for every subsequent AY until there is transfer or conversion of such asset. For this provision to apply, NRI is required to file a declaration along with his return of income for the AY in which he becomes assessable as resident in India

3.5.5. In accordance with Section 115I of the Act, where a NRI opts not to be governed by the provisions of Chapter XII-A for any AY, his total income for that AY (including income arising from investment in the company) will be computed and tax will be charged according to the other provisions of the Act.

4 BENEFITS AVAILABLE TO A FOREIGN INSTITUTIONAL INVESTOR ("FII") UNDER THE ACT

Special Tax Benefits

There are no special tax benefits available to the FII with regards to the investment made in the shares of the Company. However, the shareholders are entitled to the general tax benefits which are discussed herein below.

General Tax Benefits

4.1. **Dividends exempt under Section 10(34)**

Under Section 10(34) of the Act, income by way of "dividends" received on the Equity Shares of the Company is exempt from income tax in the hands of shareholders. However, the Company will be liable to pay DDT at 15 per cent (plus applicable surcharge and education cess) on the total amount distributed as dividends. As a result, no taxability arises in the hands of the shareholders in respect of dividends received from the Indian Company. No deduction is permitted in respect of expenditure incurred by any person in relation to income which is not chargeable to tax. The expenditure relatable to "exempt income" need to be determined in accordance with the provisions specified in Section 14A of the Act read with Rule 8D of the Rules.

4.2. **Capital gains**

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4.2.1. Under Section 10(38) of the Act, long term capital gains arising to a shareholder on transfer of Equity Shares in the Company are exempt from tax, where the sale transaction has been entered into on a recognized stock exchange of India and STT has been paid on the same. However, in case of companies , long term capital gain so earned may be required to be taken into account in computing the book profit for the purpose of computation of MAT under Section 115JB of the Act.

4.2.2. Under Section 54EC of the Act and subject to the conditions specified therein, long-term capital gains arising on the transfer of Equity Shares of the Company would be exempt from tax if such capital gains is invested within 6 months after the date of such transfer in specified assets, being bonds issued by (to the extent permitted under prevalent laws):

a) National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988;
b) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

The investment made in such bonds during any financial year cannot exceed ₹ 5,000,000.

If only part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within 3 years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year of such transfer or conversion.

Since long term capital gains arising under Section 10(38) of the Act are not taxable, there is no requirement for making investment under Section 54EC of the Act in such cases.

4.2.3. Under Section 115AD(1)(ii) of the Act, short term capital gains on transfer of Equity Shares shall be chargeable at 30 per cent or 15 per cent (where such transaction of sale is entered on a recognized stock exchange in India and STT has been paid on the same), as the case may be. The above rates are to be increased by applicable surcharge and education cess.

Under Section 115AD(1)(iii) of the Act, long term capital gains arising from the transfer of Equity Shares (in cases not covered under Section 10(38) of the Act) of a Company shall be taxable at 10 per cent (plus applicable surcharge and education cess). It is to be noted that the benefits of indexation and foreign currency fluctuations are not available to FIIs.

However, where the Equity Shares form a part of stock-in-trade, any income realised in the disposition of such Equity Shares may be treated as business profits, taxable in accordance with the DTAA between India and the country of tax residence of the FII. The nature of the Equity Shares held by the FII is usually determined on the basis of the substantial nature of the transactions, the manner of maintaining books of account, the magnitude of purchases, sales and the ratio between purchases and sales and the holding etc. If the income realised from the disposition of Equity Shares is chargeable to tax in India as business income, FIIs could claim deduction under Section 36(xv) of the Act with respect to STT paid on purchase/sale of Equity Shares while computing taxable income. Business profits may be subject to tax at the rate of 30 per cent / 40 per cent (depending on the type of FII) plus applicable surcharge and education cess.

4.2.4. As per Section 90(2) of the Act, provisions of the DTAA between India and the country of residence of the FII would prevail over the provisions of the Act to the extent they are more beneficial to the FII. Where FII treat the income realized from disposition of Equity Shares as business profits and it does not have permanent establishment in India, such income of FII may not be subject to tax in India. As per the amendment introduced by Finance Act, 2012, Section 90(4) has been inserted which provides that an assessee being a non-resident, shall not be entitled to claim any relief under Section 90(2) unless a certificate containing such particulars as may be prescribed, of his being a resident in any country outside India, is obtained by him from the government of that country or any specified territory.

In other words, the tax payers shall be entitled to be governed by the provisions of the DTAA only when they obtain a tax residency certificate (containing particulars as may be prescribed) from the Government of the country of residence of such non-resident tax payer.

4.3. Tax Deduction At Source

Generally, in case of non residents, tax, (including surcharge and education cess) on the capital gains, if any, is withheld at source by the buyer in accordance with the relevant provisions of the Act. However, no deduction of tax is required to be made from any income by way of capital gains arising from the transfer of securities (referred to in Section 115AD of the Act) payable to FIIs

5 BENEFITS AVAILABLE TO MUTUAL FUNDS UNDER THE ACT

As per the provisions of Section 10(23D) of the Act, Mutual Funds registered under the Securities and Exchange Board of India or Mutual Funds set up by Public Sector Banks or Public Financial Institutions or authorized by the Reserve Bank of India and subject to the conditions specified therein, would be eligible for exemption from income tax on their income. However, the Mutual Funds shall be liable to pay tax on distributed income to unit holders under Section 115R of the Act.

6 BENEFITS AVAILABLE TO VENTURE CAPITAL COMPANIES/FUNDS

Under Section 10(23FB) of the Act, any income of Venture Capital Companies/Funds (set up to raise funds for investment in venture capital undertaking) registered with the Securities and Exchange Board of India would be exempt from income tax, subject to conditions specified therein. 'Venture capital undertaking' means a venture capital undertaking referred to in the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 made under the Securities and Exchange Board of India Act, 1992.

As per Section 115U of the Act, any income accruing/ arising/ received by a person from his investment in venture capital companies/ funds would be taxable in the hands of the person making an investment in the same manner as if it were the income accruing/ arising/ received by such person had the investments been made directly in the venture capital undertaking.

Further, as per Section 115U(5) of the Act, the income accruing or arising to or received by the Venture Capital Company/ Funds from investments made in a Venture Capital Undertaking if not paid or credited to a person (who has made investments in a Venture Capital Company/ Fund) shall be deemed to have been credited to the account of the said person on the last day of the previous year in the same proportion in which such person would have been entitled to receive the income had it been paid in the previous year.

7 SECURITIES TRANSACTION TAX ('STT')

All transactions entered into on a recognised stock exchange in India will be subject to STT levied on the transaction value at applicable rates. In case of purchase / sale of Equity Shares settled by way of actual delivery or transfer of the Equity Shares, STT will be levied at 0.125 per cent on both the buyer and seller of the Equity Shares. For sale of Equity Shares settled otherwise than by way of actual delivery or transfer of the Equity Share, STT will be levied at 0.025 per cent on the seller of the Equity Share. The STT can be claimed as deduction while computing taxable business income as per the provisions of the Act, provided the gains on the transactions are offered to tax as business income and not as capital gains.

8 CAPITAL LOSS

In general terms, loss arising from transfer of a capital asset in India can only be set off against capital gains. Long term capital loss arising on sale of Equity Shares not subjected to STT during a year is allowed to be set-off only against long term capital gains. A short term capital loss can be set off against capital gains whether short term or long term. To the extent that the loss is not absorbed in the year of transfer, it may be carried forward for a period of 8 years immediately succeeding the year for which the loss was first determined and may be set off against the capital gains assessable for such subsequent years. In order to set off a capital loss as above, the investor (resident/ non resident) is required to file appropriate and timely returns in India.

9 DTAA BENEFITS

An investor has an option to be governed by the provisions of the Act or the provisions of DTAA that India has entered into with the country of residence of the investor, whichever is more beneficial. 4.5.2. As per the amendment introduced by Finance Act, 2012, Section 90(4) has been inserted which provides that an assessee being a non-resident, shall not be entitled to claim any relief under Section 90(2) unless a certificate containing such particulars as may be prescribed, of his being a resident in any country outside India, is obtained by him from the government of that country or any specified territory.

In other words, the tax payers shall be entitled to be governed by the provisions of the DTAA only when they obtain a tax residency certificate (containing particulars as may be prescribed) from the Government of the country of residence of such non-resident tax payer.

10 IMPLICATIONS OF GIFT UNDER THE ACT

10.1. As per Section 56(2)(vii) of the Act, any property (including Equity Shares of the Company) which in the nature of capital asset of the recipient, other than immovable property is received by an individual/ HUF:

a. without consideration, where the aggregate fair market value of such property exceeds ₹ 50,000, then such aggregate fair market value; or

b. for a consideration which is less than the aggregate fair market value of such property by more than ₹50,000, then such difference between the fair market value and the actual consideration paid

would be taxable as income from other sources. However, this is not applicable where shares are received from certain specific persons (such as relatives etc.) and/ or in specified circumstances (on occasion of marriage etc.) as mentioned in Section 56(2)(vii) of the Act.

11 BENEFITS AVAILABLE UNDER THE WEALTH-TAX ACT, 1957

Assets as defined under Section 2(ea) of the Wealth tax Act, 1957 does not include shares in companies and hence, shares are not liable to wealth tax.

12 BENEFITS AVAILABLE UNDER THE GIFT-TAX ACT, 1958

Gift tax is not leviable in respect of any gifts made on or after October 1, 1998. Therefore, any gift of shares will not attract gift tax.

Notes:

- *The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares;*

- *The above Statement of Possible Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws (i.e. Act as amended by the Finance Act 2012 and Wealth Tax Act, 1957) presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws;*

- *This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her/ its own tax consultant with respect to the specific tax implications arising out of their participation in the issue;*

- *In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the DTAA, if any, between India and the country in* *which the non-resident has fiscal domicile;*

- *The stated benefits will be available only to the sole/first named holder in case the shares are held by joint shareholders; and*

- *Please note that we have not considered the provisions of Direct Taxes Code Bill 2010 as well as proposals under the Finance Bill, 2013 for the purpose of this Statement.*

SECTION VI - ABOUT US

INDUSTRY OVERVIEW

The information in this section is derived from various government and other public sources. Neither we nor any other person connected with the Issue have verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information.

In particular, we have relied on a report by The Freedonia Group, Inc. called "Industry Study #2824 World Enzymes December 2011" ("Freedonia Report"). Neither we nor any other person connected with the Issue has verified the information sourced from this Freedonia Report. Prospective investors are advised not to unduly rely on the information sourced from this report when making their investment decisions.

Introduction to Enzymes

Enzymes are natural protein molecules produced by all living organisms, functioning as highly specialized catalysts for accelerating the pace of chemical reactions, that is, they help a chemical reaction take place quickly and efficiently, without undergoing change themselves. Enzymes are responsible for many essential biochemical reactions and metabolic processes in microorganisms, plants, animals, and human beings, but are not alive. Enzymes are highly efficient in increasing the reaction rate of biochemical processes that otherwise proceed very slowly, or in some cases, not at all, and are also biodegradable.

Enzymes are produced and harvested from living organisms such as plants, animals, bacteria and fungi. Enzymes are presently employed in a diverse array of applications that range from the manipulation of DNA in biotechnology research, to improving the softness of fabrics in the textile industry. Based on the usage of the enzymes, the global enzyme market can be broadly classified into two segments, namely Industrial and Specialty. The Industrial enzymes are used in high volume and low value-added applications, whereas Specialty enzymes are used in low volume and high value-added applications. The Industrial enzyme markets include food and beverages, cleaning products (detergents), biofuel production, animal feed, textiles, leather, pulp and paper, starch processing, etc… The Specialty enzyme markets include pharmaceutical, research and biotechnology, diagnostics and biocatalysts.

Segment-wise distribution of the Global Enzyme Market

The global enzyme demand has increased at 8.5% annual pace from $3.8 billion in 2005 to $5.8 billion in 2010, helped in large part by the rapid increase in global energy prices, which made enzyme-related processes and products more cost effective, and facilitated the legislation of a rapid expansion of the fuel ethanol market, particularly in the United States. Additionally, the expanding middle class population in the rapidly growing developing countries contributed to robust gains in food and beverage enzymes, and the quick adoption of several enzyme-containing pharmaceuticals also supported growth. Industrial enzymes constituted the larger portion of global enzyme demand aggregating to ~$3.3 billion, or ~58.2% in 2010, with the rest ~41.8% being contributed by Specialty enzymes.

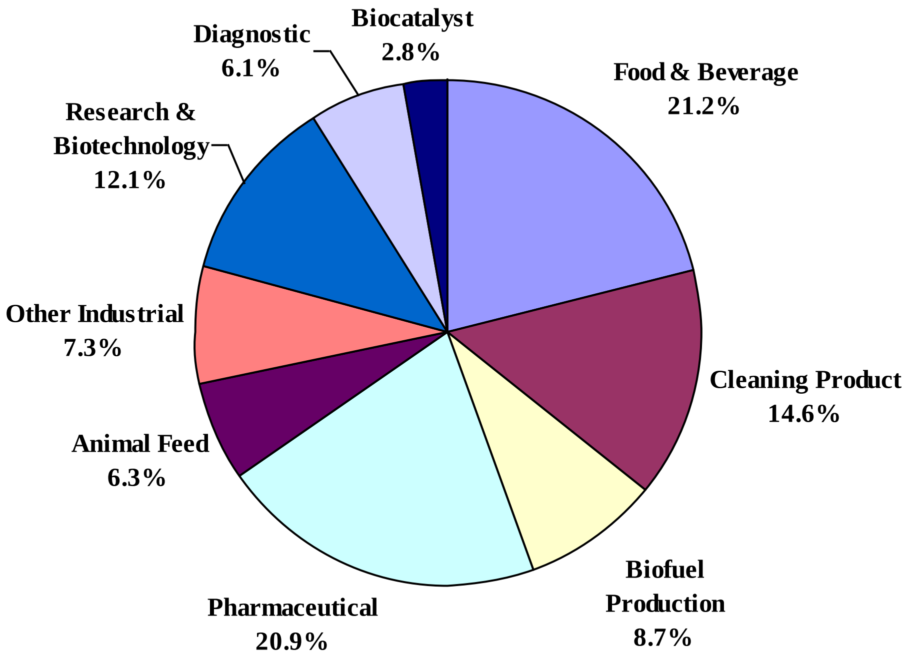
Going forward, the global enzyme demand is expected to experience broad-based growth led by strong demand across all enzyme types, with market growing by 6.8% every year to $8.0 billion in 2015 from $5.8 billion in 2010. The market is further expected to grow at a 5-year CAGR of 7.1% after 2015, reaching a size of $11.3 billion by 2020. Through this period, the growth in the global enzyme demand is expected to be led by strong gains in the diagnostic and research & biotechnology enzymes, expanded access to medical care in developing countries, and the advent of health care reforms in the United States. On the industrial enzymes front, the animal feed and food & beverage enzymes will also experience above-average growth in demand benefitting from the expansion of the middle class population in rapidly developing economies, which will fuel increased meat consumption and adoption of more western-style diets.

The following table represents the key segments across Industrial and Specialty Enzymes, and the expected enzyme demand over the next few years.

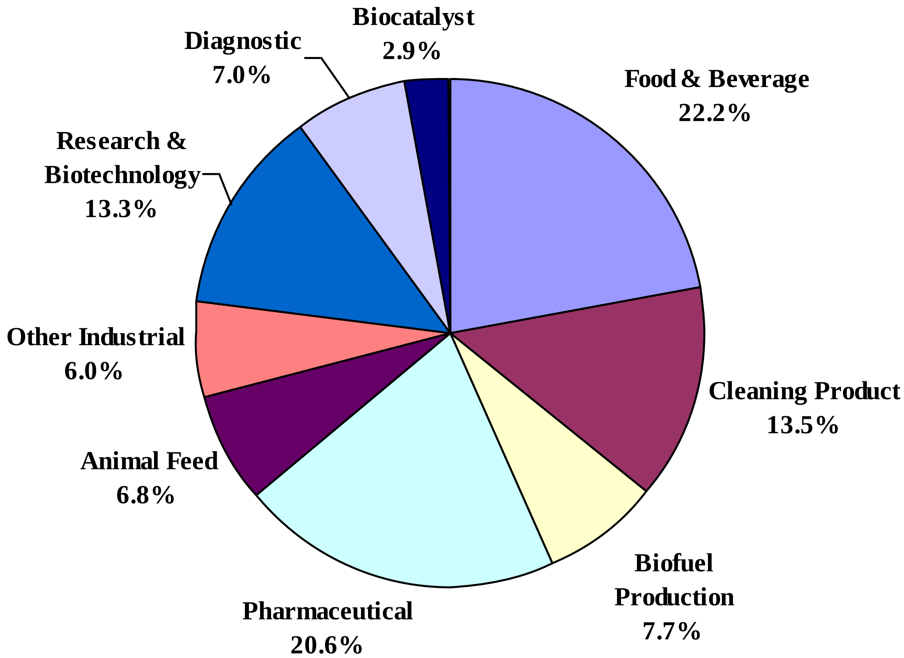
WORLD ENZYME DEMAND BY MARKET (in USD million)					
Market / Year	**2000**	**2005**	**2010**	**2015**	**2020**
Industrial Enzymes:					
Food & Beverage	520	760	1,220	1,770	2,520
Cleaning Product	530	650	840	1,080	1,370
Biofuel Production	72	166	500	615	900
Animal Feed	115	268	365	545	820
Other Industrial	373	376	420	480	670
Total Industrial Enzymes	**1,610**	**2,220**	**3,345**	**4,490**	**6,280**
% of Industrial Enzymes to Total Enzyme Demand	**61.3%**	**58.0%**	**58.2%**	**56.3%**	**55.8%**
Specialty Enzymes:					
Pharmaceutical	455	795	1,200	1,640	2,180
Research & Biotechnology	332	470	695	1,060	1,600
Diagnostic	172	240	350	560	840
Biocatalyst	56	105	160	230	350
Total Specialty Enzymes	**1,015**	**1,610**	**2,405**	**3,490**	**4,970**
% of Specialty Enzymes to Total Enzyme Demand	**38.7%**	**42.0%**	**41.8%**	**43.7%**	**44.2%**
World Enzyme Demand (Industrial and Specialty)	**2,625**	**3,830**	**5,750**	**7,980**	**11,250**

As can be seen from the above table, the share of Industrial Enzymes is expected to gradually reduce from ~58.2% in 2010 to ~56.3% in 2015 to ~55.8% in 2020, while the share of Specialty Enzymes is expected to gradually increase from ~41.8% in 2010 to ~43.7% in 2015 to ~44.2% in 2020, on account of the relatively stronger potential growth of Specialty Enzymes over the next few years.

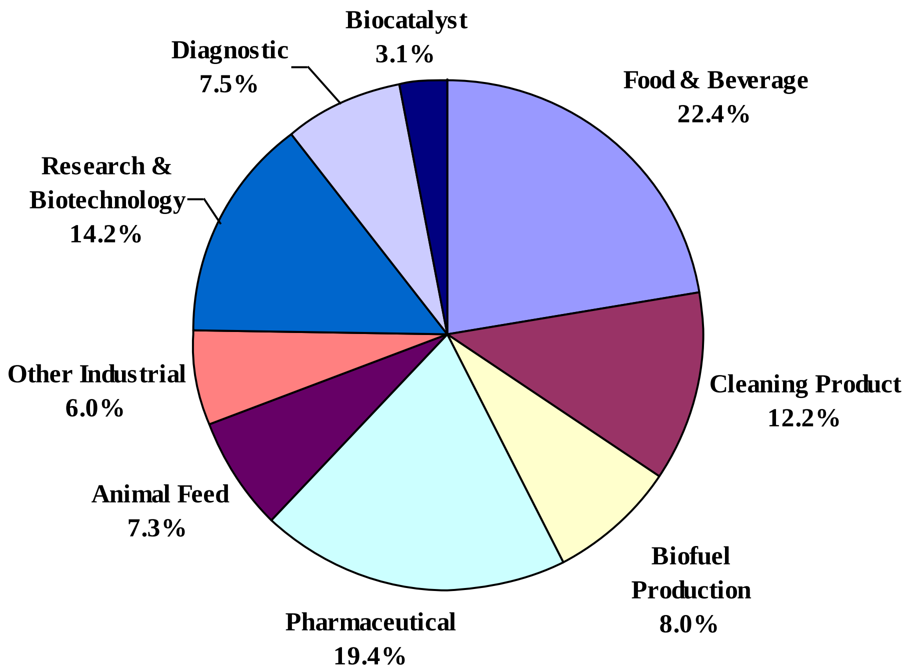
WORLD ENZYME DEMAND BY MARKET (2010): $5.8 billion



WORLD ENZYME DEMAND BY MARKET (2015): $8.0 billion



WORLD ENZYME DEMAND BY MARKET (2020): $11.3 billion



Geographical distribution of the Global Enzyme Market

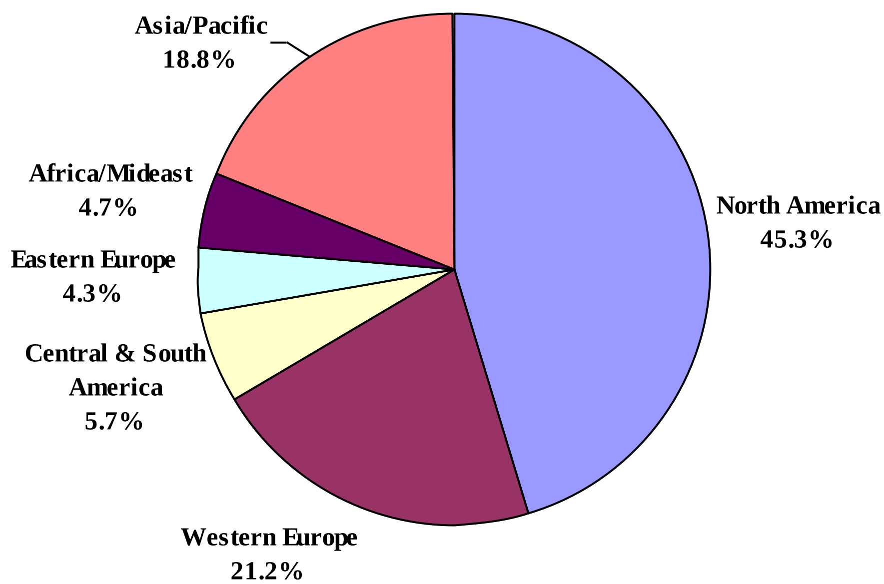
North America dominates the global enzyme market with a market size of $2.6 billion, accounting for ~45.3% of the global enzyme demand in 2010. Western Europe, Asia Pacific and other regional markets (which include Central & South America, Eastern Europe and Africa / Mideast) accounted for 21.2%, 18.8% and 14.7% of the Global Enzyme market in 2010. Between 2000 and 2010, the share of North America and Western Europe in the Global enzyme market has been gradually declining, while that of Asia Pacific and other regional markets including Central & South America, Eastern Europe and Africa / Mideast has been on an upswing, mainly on account of the relatively superior growth witnessed by these regions, and the greater maturity of the North American and West European markets. This trend is expected to continue going forward, with Asia Pacific becoming the second largest enzyme market by 2015, and further outpacing Western Europe by 2020.

However, even by 2020, North America shall continue to be the largest regional market, accounting for ~40.5% of the global enzyme demand, with the Asia Pacific region, Western Europe and other regional markets accounting for ~23.2%, ~18.8% and ~17.4% of the market size respectively. During this period, the Central and South American markets are expected to experience the fastest growth in enzyme demand, followed by the Africa / Mideast and the Asia Pacific regions. Demand for enzymes in the Eastern Europe is also expected to be above average.

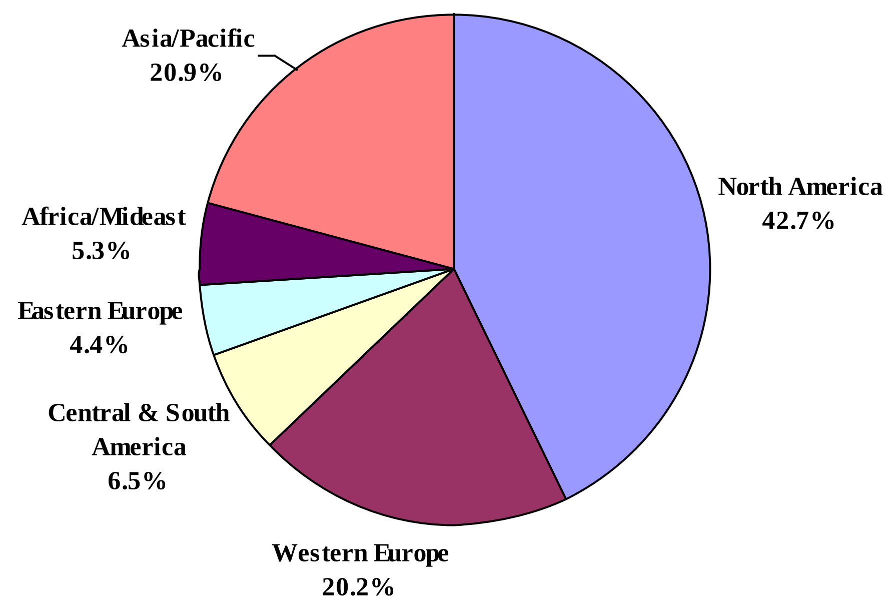
WORLD ENZYME DEMAND BY REGION (in USD million)					
Region / Year	**2000**	**2005**	**2010**	**2015**	**2020**
North America	1,270	1,750	2,605	3,405	4,560
Western Europe	645	900	1,220	1,615	2,120
Asia/Pacific	410	665	1,080	1,670	2,610
Other Regions:	300	515	845	1,290	1,960
- Central & South America	113	178	325	515	795

- Eastern Europe	93	165	250	355	510
- Africa/Mideast	94	172	270	420	655
World Enzyme Demand	**2,625**	**3,830**	**5,750**	**7,980**	**11,250**

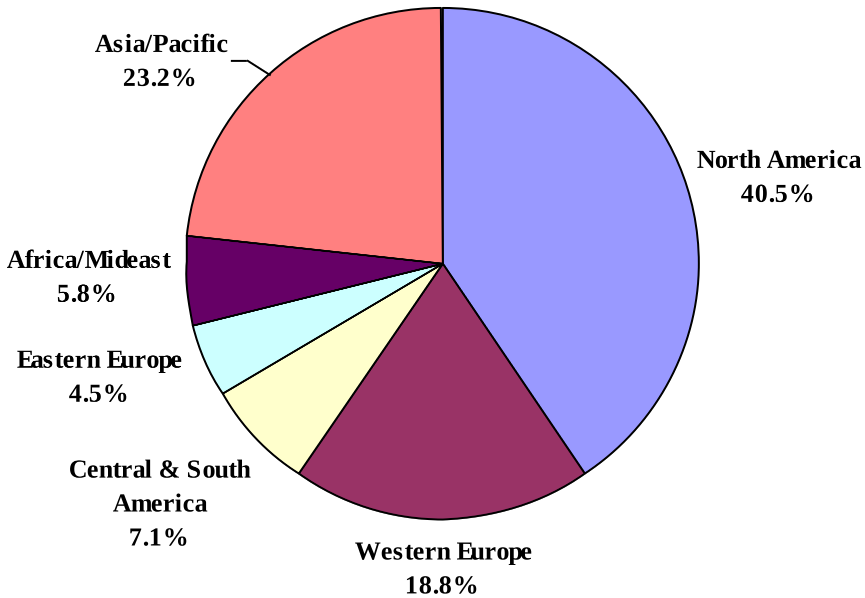
WORLD ENZYME DEMAND BY REGION (2010): $5.8 billion



WORLD ENZYME DEMAND BY REGION (2015): $8.0 billion

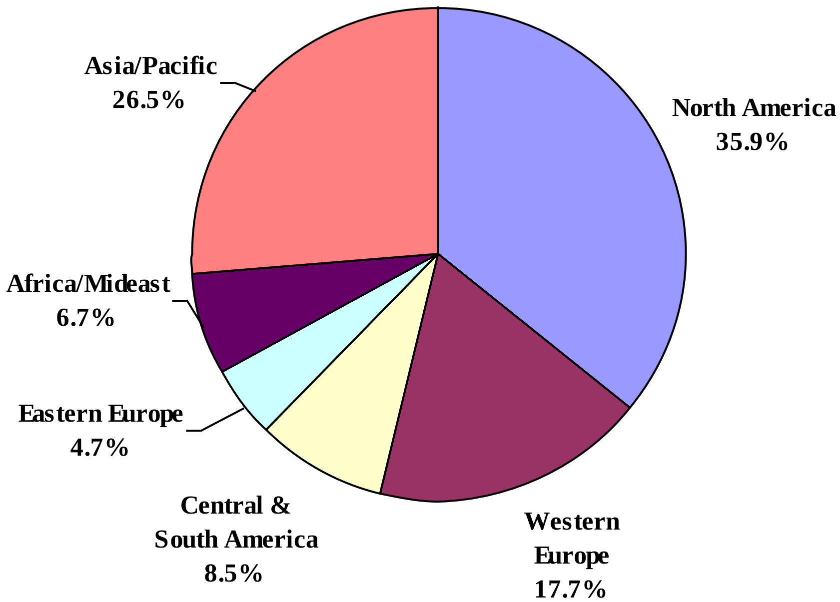


WORLD ENZYME DEMAND BY REGION (2020): $11.3 billion

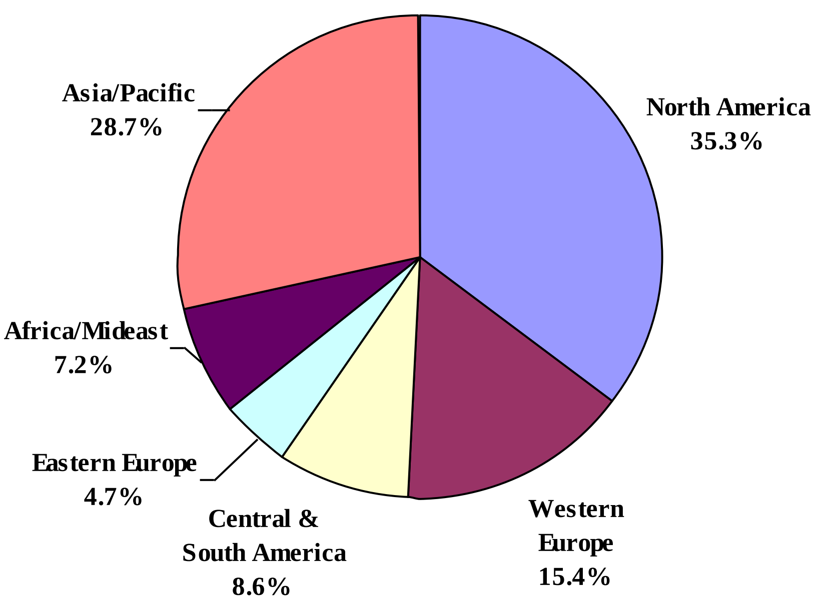


As can be seen from the above, Asia-Pacific shall become the second largest regional enzyme market going forward, growing at a 10-year CAGR of 9.2% between 2010 and 2020, next only to the Central & South American, and African / Mideast markets which are expected to record a CAGR of 9.4% and 9.3% respectively during the same period. The same is also reflected below, where these markets are expected to capture a much larger share of the incremental enzyme demand between 2010 – 2015 and 2015 – 2020, thereby reflecting in their overall increased market shares by 2020.

SHARE OF THE INCREMENTAL ENZYME DEMAND BY REGION BETWEEN 2010 AND 2015: $2.2 billion



SHARE OF THE INCREMENTAL ENZYME DEMAND BY REGION BETWEEN 2015 AND 2020: $3.3 billion



Global Industrial Enzymes market

Industrial enzymes constitute the larger portion of the world enzyme demand accounting for ~$3.3 billion, or ~58.2% in 2010. The global demand for industrial enzymes is expected to expand 6.1% y-o-y to $4.5 billion in 2015. The market is further expected to grow at a 5-year CAGR of 6.9% after 2015, reaching a size of $6.3 billion by 2020. The strongest demand for industrial enzymes shall be experienced in the sub-segments of food and beverages and animal feed.

On a regional basis, Asia Pacific, Central & South America and Africa / Mideast will achieve the fastest growth for Industrial enzymes, going forward till 2020. These areas have generally not experienced the same degree of enzyme technology penetration as is found in North America and Europe, and consequently will realize stronger growth as continued industrialization and rising per capita incomes favor greater enzyme consumption.

The following table represents the key sub-segments across Industrial Enzymes and their expected growth rates across various geographies over the next few years.

WORLD INDUSTRIAL ENZYME DEMAND BY MARKET & REGION (in USD million)					
Item / Year	**2000**	**2005**	**2010**	**2015**	**2020**
By Market:					
I) Food & Beverage	520	760	1,220	1,770	2,520
II) Cleaning Product	530	650	840	1080	1,370
III) Biofuel Production	72	166	500	615	900
IV) Animal Feed	115	268	365	545	820
V) Other Markets	373	376	420	480	670
By Region:					
North America	700	875	1,335	1,600	2,060
Western Europe	405	520	655	820	1,030
Asia / Pacific	270	435	719	1,107	1,750
Other Regions:	235	390	636	963	1,440
- Central & South America	90	143	263	415	635
- Eastern Europe	70	122	183	253	350
- Africa/Mideast	75	125	190	295	455
World Industrial Enzyme Demand	**1,610**	**2,220**	**3,345**	**4,490**	**6,280**
World Enzyme Demand	**2,625**	**3,830**	**5,750**	**7,980**	**11,250**
Industrial Enzymes %	**61.3%**	**58.0%**	**58.2%**	**56.3%**	**55.8%**

The market dynamics and the expected growth potential of each of these sub-segments of Industrial Enzymes are explained in greater detail herein below.

I) Foods & Beverages

The global demand for enzymes used in Foods & Beverages is expected to expand 7.7% y-o-y to $1.8 billion in 2015 from $1.2 billion in 2010. The market is further expected to grow at a 5-year CAGR of ~7.3% after 2015, reaching a size of $2.5 billion by 2020. While growth will be strong between 2010-2020, the pace will moderate from the 2000-2010 period as maturity in developed regions such as North America and Western Europe offsets faster growth in the Asia/Pacific and other developing regions.

Baking enzymes will continue to post above-average advances, along with other smaller applications such as fat and oil processing, helping offset more moderate gains in dairy enzymes. Growth will thus come mostly from expanding markets and applications, such as when manufacturers seek more effective ingredients for specific applications.

Enzymes provide a natural way for food and beverage processors to improve production efficiency, as well as food quality and consistency. Within the food and beverage processing industry, enzymes function in several different capacities. Enzymes are principally used as processing aids for transforming raw ingredients into a consumable state. As processing aids, enzymes may be directly involved in food transformation as with the use of chymosin for cheese production, or indirectly involved as with the use of pectinase for fruit juice clarification. Enzymes may also be added to processed foods to enhance certain characteristics or to act as flavor modifiers. By turning to enzymes, food and beverage processors avoid using traditional chemical additives viewed as “artificial” by consumers.

The largest application for enzymes in food and beverages is in baked goods, where enzymes have several applications including anti-staling/shelf-life extension, volume expansion and dough strengthening, among others. The second largest market is dairy products, in which enzymes are used for the production of cheese and removal of lactose. In beverages, enzymes see application in beer, distilled spirits, fruit juice and wine. Other food applications include confectionery manufacturing, cocoa, coffee and egg processing, fruit and vegetable processing, and meat tenderizing. More recently, enzymes have also found an important role in fat and oil production and processing, and in preventing the formation of acrylamide in the baking and frying of starch-containing foods.

WORLD FOOD & BEVERAGE ENZYME DEMAND BY MARKET & REGION (in USD million)

Item / Year	**2000**	**2005**	**2010**	**2015**	**2020**
World Food & Beverage MVA (2009 USD billion)	1,333	1,521	1,808	2,215	2,700
$ enzymes / 000$ food & beverage	0.39	0.50	0.67	0.80	0.93
World Food & Beverage Enzyme Demand	**520**	**760**	**1,220**	**1,770**	**2,520**
By Market:					
1) Baked Goods	140	250	420	625	900
2) Dairy	180	260	360	465	610
3) Other Food & Beverage	200	250	440	680	1,010
By Region:					
North America	185	230	305	400	525
Western Europe	130	180	275	365	475
Asia / Pacific	105	170	320	520	800
Other Regions:	100	180	320	485	720
- Central & South America	41	71	140	215	320
- Eastern Europe	33	60	95	130	180
- Africa/Mideast	26	49	85	140	220
World Food & Beverage Enzyme Demand	**520**	**760**	**1,220**	**1,770**	**2,520**
World Industrial Enzyme Demand	**1,610**	**2,220**	**3,345**	**4,490**	**6,280**
Food & Beverage Enzyme as a % of Industrial Enzymes	**32.3%**	**34.2%**	**36.5%**	**39.4%**	**40.1%**

1. Baked Goods:

Bakery enzymes were the fastest growing component of food and beverage enzymes over the 2000-2010 period, as key product introductions such as extended shelf-life enzymes transformed the baking industries in North America and Western Europe. World demand for baked good enzymes is expected to increase over eight percent annually through 2015 to $625 million. Gains will derive mainly from expanded market opportunities in the Asia/Pacific region, as well as Eastern Europe and Central and South America. New product introductions will also continue to support growth in the more mature markets of North America and Western Europe. More specifically, the marketing of value-added preparations which contain a variety of enzymes designed to improve the quality of baked goods will help improve margins and support demand gains. The best opportunities in baking enzymes will be in products that can significantly lower costs by further extending shelf-life, replacing expensive additives such as emulsifiers or enabling the use of lower-cost components, and improving baking efficiency. Additionally, the continued adoption of asparaginase enzymes as a means of limiting the formation of the possible carcinogen acrylamide in baked goods exposed to high temperatures will also support growth.

Most enzymes used in the baking industry go into supplementing flour for bread production. Amylases help maximize dough fermentation, ensuring even crumb structure and improving loaf volume. Another significant class of baking enzymes is xylanases, which break down the non-starch polysaccharides in wheat flour, improving dough machinability, crumb structure and loaf volume. Other baking enzymes include lipases for improving dough strength and replacing emulsifiers, proteases to act as dough relaxers in high-gluten doughs, oxidases for bleaching and replacing chemical additives such as bromates and transglutaminases, which also improve dough strength and help replace bromates.

2. Dairy:

Enzymes have a variety of applications in the dairy industry, including the coagulation of milk, ripening of cheese, enhancement of piquant flavor in Italian and specialty cheeses, modification of milk fat and processing of whey protein for breakfast cereals. Enhanced digestibility of dairy products, especially for those consumers suffering from lactose intolerance, is accomplished with the addition of lactase to ice cream and other dairy items. Additionally, enzymes may also be used as preservatives in cheese to control the growth of harmful bacteria, or bacteria that impart undesirable properties to the cheese.

Demand for dairy enzymes is projected to advance 5.3 percent per year to $465 million in 2015, helped by rebounding economies in North America and Western Europe, as well as the increased adoption of Western diets in many developing countries. The continued introduction of new products that offer new flavor profiles, speed ripening times and allow for texture modification will further support growth. Above-average growth is also expected for enzymes that aid in dairy digestion as lactose-reduced products continue to gain in popularity.

3. Other Foods & Beverages:

While a significant portion of enzyme demand in food processing arises from dairy and bakery applications, enzymes also play an important or growing role in beverages as well as a variety of other, smaller volume markets. In beverages, enzymes see applications in beer, distilled spirits, dairy products, fruit juice and wine. Other food applications include confectionery manufacturing, cocoa, coffee, egg and tea processing, fruit and vegetable processing, and meat tenderizing. More recently, enzymes have also found an important role in fat and oil production and processing, and in limiting the formation of acrylamide in starch-containing foods such as French fries and potato chips. Additionally, recent research has shown that they may be effective at removing the allergens associated with peanuts.

Demand for enzymes used in other food and beverage applications is expected to reach $680 million in 2015, reflecting average annual gains of 9.1 percent. Growth will be supported by strong gains in brewing enzymes, as well as the expanded use of enzymes in fat and oil processing, in the production of protein hydrolysates and the treatment of food processing wastewater.

II) Cleaning Products

Demand for enzymes used in detergents and other cleaning products are forecast to increase 5.2 percent per annum to $1.1 billion in 2015. Growth will be restrained by the maturity of the laundry detergent market, which accounts for the bulk of detergent shipments. Nevertheless, advances will be supported by the introduction of new and improved enzyme products for specialized cleaning applications and continued strong growth of the automatic dishwashing detergent market in developed countries, as well as further market penetration in developing regions.

Enzymes have become an important component of modern cleaning products as companies have sought to achieve improved cleaning performance with more environmentally friendly components. This is reflected by the sheer size of the cleaning product enzyme market, which accounted for 25 percent of industrial enzyme demand in 2010. The primary application of enzymes in cleaning products is in detergents, particularly laundry detergents, though other applications have been growing rapidly. While cleaning product enzymes experienced slow growth after the turn of the century due to pricing pressures from the main detergent manufacturers, demand accelerated by 2005 due to efforts by manufacturers to offset higher detergent raw material and shipping costs by reformulating their product lines with more cost-effective enzyme solutions.

WORLD CLEANING PRODUCT ENZYME DEMAND BY APPLICATION & REGION (in USD million)

Item / Year	**2000**	**2005**	**2010**	**2015**	**2020**
World Soap & Detergent Shipments (bil $)	68.0	92.5	129.0	162.0	200.0
$ enzymes/000$ detergent	7.8	7.0	6.5	6.7	6.9
World Cleaning Product Enzyme Demand					
By Application:					
1) Laundry Detergent	500	570	700	860	1,040
2) Automatic Dishwashing Detergent	19	40	65	95	130
3) Other Cleaning Products	11	40	75	125	200
By Region:					
North America	194	223	283	335	395
Western Europe	150	163	185	215	240
Asia / Pacific	90	118	165	240	340
Other Regions:	96	146	207	290	395
- Central & South America	32	43	75	110	150
- Eastern Europe	26	41	52	70	90
- Africa/Mideast	38	62	80	110	155
World Cleaning Product Enzyme Demand	**530**	**650**	**840**	**1,080**	**1,370**
World Industrial Enzyme Demand	**1,610**	**2,220**	**3,345**	**4,490**	**6,280**
Cleaning Product Enzyme as a % of Industrial Enzymes	**32.9%**	**29.3%**	**25.1%**	**24.1%**	**21.8%**

III) Biofuel Production

Demand for enzymes used in biofuel production will rise 4.2 percent per year to $615 million in 2015. Growth will moderate from the rapid gains of the 2005-2010 period as the dominant North American market continues to mature and ethanol producers increasingly look to non-enzyme-based ethanol production technologies for future capacity expansion. The moderate growth in North America will be offset by faster gains in other regions, albeit from much smaller bases, as countries around the world seek to either establish domestic biofuel industries or further expand existing ones, in an effort to reduce their dependence on imported oil products and reduce their emission of global warming greenhouse gases.

WORLD BIOFUEL PRODUCTION ENZYME DEMAND BY REGION (in USD million)					
Item / Year	**2000**	**2005**	**2010**	**2015**	**2020**
World Gross Domestic Product (bil 2009$)	53,660	63,890	75,350	92,800	113,800
$ enzymes/mil $ GDP	1.3	2.6	6.6	6.6	7.9
World Biofuel Production Enzyme Demand					
By Region:					
North America	70	148	453	540	740
Western Europe	1	10	25	37	64
Asia/Pacific	1	6	15	23	54
Other Regions	-	2	7	15	42
World Biofuel Production Enzyme Demand	**72**	**166**	**500**	**615**	**900**
World Industrial Enzyme Demand	**1,610**	**2,220**	**3,345**	**4,490**	**6,280**
Biofuel Production Enzyme as a % of Industrial Enzymes	**4.5%**	**7.5%**	**14.9%**	**13.7%**	**14.3%**

IV) Animal Feed

Global demand for animal feed enzymes will rise 8.3 percent per year to $545 million in 2015, led by strong gains in phytase for poultry and swine feed. Non-starch polysaccharide (NSP) and other feed enzyme sales will also be solid, though still behind the faster gains in phytase enzymes. Advances in the relatively mature North American and West European markets will improve after retreating significantly during the global recession in 2009, with growth in North America outpacing gains in Western Europe. The fastest growth will be in the Africa/Mideast region and Central and South America where market penetration rates are still lower and farmers have significant amounts of available land to boost meat production, which will be needed to meet increasing global meat demand, particularly as rising per capita incomes in developing countries allow more and more people to afford meat in their diets. Above-average growth will also occur in the Asia/Pacific region and Eastern Europe as meat production grows and enzyme usage in animal feed further penetrates the market.

The world market for enzymes in animal feed developed rapidly over the 2000-2005 period as the positive benefits of enzymes became more and more apparent. However, growth slowed considerably from 2005 to 2010 as the markets in developed countries matured, and a rapid jump in feed costs initially led many farmers to forgo enzymes as a feed additive. Animal feed is a major cost in the production of food of animal origin; therefore, in markets where feed enzyme use remains low, it is expected that the ability of enzyme feed additives to lower costs by upgrading economical feed mixes and reducing the need for inorganic supplements in animal diets will be a driving factor in the demand for animal feed enzymes. In addition to improving animal nutrition via the breakdown of NSPs in diets rich in wheat and barley, enzymes are also helpful in lowering phosphorus intake and excretion, promoting faster growth, and reducing feed costs. Going forward, growth will be promoted by an expanding range of animal feed enzymes, increased marketing activity and positive environmental effects due to lower phosphorus excretions.

Enzyme feed additives act as biocatalysts to assist in the digestion and utilization of nutrients, thereby allowing feed compounders to develop products with unconventional and less expensive formulations. When low cost or nutritionally inferior raw materials such as cereals, beans or seeds are processed enzymatically, they can be used as substitutes for higher quality feed rations without sacrificing animal productivity. In addition, enzymes allow greater utilization of the grains themselves without the use of additives, such as phosphates, which helps to decrease the amount of waste nutrients. Enzymes can also act as milk replacers in feed formulations, allowing early weaning of farm animals, which is important to animal breeders. In addition, enzyme treatments provide the following benefits: increased final animal weight, better feed utilization, healthier digestive systems, more homogenous production, lower death rate, improved eggshell quality and waste products that are easier to handle.

WORLD ANIMAL FEED ENZYME DEMAND BY TYPE & REGION (in USD million)					
Item / Year	**2000**	**2005**	**2010**	**2015**	**2020**
World Animal Feed Shipments (bil $)	107.5	155.0	250.0	310.0	385.0
$ enzymes/000$ feed	1.07	1.73	1.46	1.76	2.13
World Animal Feed Enzyme Demand					
By Type:					
1) Phytase	39	125	185	280	420
2) Other Enzymes	76	143	180	265	400
By Region:					
North America	30	74	89	113	140
Western Europe	53	112	122	152	191
Asia / Pacific	20	52	89	155	284
Other Regions:	12	30	65	125	205
World Animal Feed Enzyme Demand	**115**	**268**	**365**	**545**	**820**
World Industrial Enzyme Demand	**1,610**	**2,220**	**3,345**	**4,490**	**6,280**
Animal Feed Enzyme as a % of Industrial Enzymes	**7.1%**	**12.1%**	**10.9%**	**12.1%**	**13.1%**

1. Phytase:

Phytase enzymes work by breaking down naturally occurring phytate in animal feeds into a form that is bio-available to the animal. This then means that less inorganic phosphate supplement is needed in the feed, and lower levels of phosphate are excreted in the animal waste. Fed primarily to pigs and poultry, Phytase is expected to experience the strongest growth through 2015, expanding at an 8.6 percent annual pace to $280 million in 2015. The rapid maturation of the North American and West European markets has significantly reduced growth opportunities in those areas. Additionally, growing competition and the introduction of feeds that already contain the phytase enzyme will constrain prices, further restraining demand gains going forward. Higher levels of growth will occur in the Asia/Pacific and other regions as a result of rising per capita meat consumption that will boost feed demand and expand the addressable market.

2. NSP & Other Feed Enzymes:

Non-starch polysaccharide enzymes include cellulases, hemicellulases, glucanases and xylanases. These enzymes target the non-digestible fiber components of various animal feeds, including arabinoxylans, celluloses and beta-glucans, which often tie up other valuable nutrients and lead to increased viscosity of food in animals' digestive tracts. NSP enzymes were first widely adopted in Europe where they found their greatest use in wheat and rye-based animal diets due to the higher presence of glucans and xylans in these grains. However, usage rates in other parts of the world have risen in recent years due to better marketing and increased word of mouth, which have helped improve product awareness.

Demand for non-starch polysaccharide and other animal feed enzymes will grow at a strong 8.0 percent annual pace through 2015, reaching $265 million. Gains will accrue from greater market penetration in developing regions, as well as the expanded use of different enzymes for alternative feeds as the traditional feed cereals experience heightened demand from the alternative biofuels sector.

V) Other Markets

There are a number of other industrial enzyme markets in addition to food and beverages, cleaning products, biofuel production and animal feed. Two of these additional markets namely textile & leather, and starch processing are rather sizable and make up the majority of demand in the other markets section. (Starch processing here includes the production of sweeteners and syrups.)

Aside from these two, other markets include cosmetics and toiletries, biohazard and chemical decontamination, oilfield chemicals, pulp and paper, and waste and water treatment. Additionally, over the long term biochemicals are expected to provide a significant growth opportunity as the technology for converting cellulosic biomass to fermentable sugars is applied to the production of green specialty chemicals.

World demand for enzymes in other industrial markets will grow 2.7 percent per annum to $480 million in 2015. Growth will be led by healthy gains in smaller markets such as cosmetics and toiletries and waste and water treatment, which will offset weakness in the larger starch processing and textile and leather markets, both of which will face intense pricing pressures and slow volume gains. On a regional basis, the fastest growth will occur in the Asia/Pacific region, which will benefit from a global shift in textile and leather production, as well as expanded demand for starch-based sweeteners. Growth in the other developing regions will also be strong as markets expand from small bases, while advances in North America and Western Europe will be limited due to the maturity of the starch and textile and leather production industries in these markets.

WORLD OTHER INDUSTRIAL MARKET ENZYME DEMAND BY MARKET & REGION (in USD million)					
Item / Year	**2000**	**2005**	**2010**	**2015**	**2020**
World Gross Domestic Product (bil 2009$)	53,660	63,890	75,350	92,800	113,800
$ enzymes/mil $ GDP	7.0	5.9	5.6	5.2	5.9
World Other Industrial Enzyme Demand					
By Market:					
1) Starch Processing	145	135	140	155	175
2) Textile & Leather	150	140	135	145	160
3) All Other Industrial Markets	78	101	145	180	335
By Region:					
North America	221	200	205	212	260
Western Europe	71	55	48	51	60
Asia / Pacific	54	89	130	169	272

Other Regions:	27	32	37	48	78
World Other Industrial Enzyme Demand	**373**	**376**	**420**	**480**	**670**
World Industrial Enzyme Demand	**1,610**	**2,220**	**3,345**	**4,490**	**6,280**
Other Industrial Enzyme as a % of Industrial Enzymes	**23.2%**	**16.9%**	**12.6%**	**10.7%**	**10.7%**

1. Starch Processing:

The primary application of starch processing enzymes is the production of sugar, syrups and sweeteners from corn, wheat and other grains. As starch within these grains is the primary raw material for sugar production, the same enzymes that are used for ethanol production are used in starch processing. Additional enzymes such as glucose isomerase and invertase are also required, however, to obtain the right types of final sugars.

Demand for starch processing enzymes will expand 2.1 percent per year to $155 million in 2015. A globally mature market will limit gains in sweetener demand, though pockets of growth are expected in countries such as China, which have more limited sugar production capabilities and growing demand for more western style diets. The slow growth in global sweetener demand will in turn limit increases in starch processing enzyme demand, particularly as ongoing enzyme price competition acts as a restraint on the market. On a regional basis, demand will stabilize in the large North American market while weakness will continue in Europe, despite efforts by the European Union to reign in the economic bloc’s overproduction of sugar. Some modest growth will occur in the Asia/Pacific region, mostly due to increased sweetener production and consumption in China.

2. Textile & Leather:

Enzymes are used in several applications in the textile industry, including desizing, scouring, stonewashing (fashion washing), cellulose removal and degumming of silk. Desizing will remain the leading application by far, particularly given the perennial popularity of denim in world markets and the continued use of starch sizing materials due to their low cost. A similar impact has been felt in leather processing where soaking, liming, bating, degreasing and area expansion processes all use enzymes. New opportunities are always being explored and include the treatment of wastewater to lower chemical and biological oxygen demand.

Textile and leather is the second largest of the other industrial enzyme markets, amounting to $135 million in 2010. Both the world textile and leather industries were long dominated by production in North America and Western Europe; however, following the expiration of the world textile quota system at the beginning of 2005, many companies shifted production to countries with lower wage costs, particularly China and India. While this trend is expected to continue in the coming years, the pace of change will slow and the impact on average enzyme costs will diminish, allowing overall demand for textile and leather enzymes to rise 1.4 percent per year to $145 million in 2015. Despite the negative impact of intense competition on prices, modernization of the textile and leather industries in developing countries such as India will create new opportunities, and new, more effective products will help established companies maintain market share.

3. All Other Industrial Markets:

Demand in the smaller industrial enzyme markets will advance quickly, averaging 4.4 percent annually to $180 million in 2015. Included here are the personal care (cosmetic and toiletry), oilfield chemical, pulp and paper, and waste and water treatment markets. Most of these markets should experience healthy to strong growth as new applications particularly aimed at addressing environmental concerns are developed. One particularly bright spot over the long term is expected to be biochemicals produced from biomass.

In the future, enzymes may be used in fuel cells for the production of hydrogen and in the desulfurization process for gas and oil. Also under development is an enzymatic system to increase the efficiency of carbon dioxide fixation in connection with the combustion of fossil fuels. If commercialized, a biologically based carbon dioxide fixation system would have broad applications, including reducing carbon dioxide emissions from industrial processes, improving agricultural crop yield, and enhancing the biological production of polymers and other materials.

Global Specialty Enzymes market

World demand for Specialty enzymes will grow a strong 7.7% per annum to $3.5 billion in 2015. Growth will be fairly robust in all markets, with the fastest gains in the diagnostics and research and biotechnology markets. The ongoing demographic shift toward older populaces in developed countries will also support higher diagnostic enzyme demand. Research and biotechnology will continue to benefit from robust investment in the biotechnology sector at both the corporate and national levels. On a geographic basis, the fastest growth will be in Central and South America, and the Asia / Pacific and Africa / Mideast regions as strong economic growth and rising disposable incomes boost demand for improved health care, and as pharmaceutical and other fine chemical companies increasingly turn to Brazil, China and India for contract manufacturing solutions. Eastern Europe will continue to benefit from investment by West European chemical companies, while North America and Western Europe will trail due to the more mature nature of the markets and slower economic growth that will otherwise restrict gains.

WORLD SPECIALTY ENZYME DEMAND BY MARKET & REGION (in USD million)

Item / Year	2000	2005	2010	2015	2020
By Market:					
I) Pharmaceutical	455	795	1,200	1,640	2,180
II) Research & Biotechnology	332	470	695	1,060	1,600
III) Diagnostics	172	240	350	560	840
IV) Biocatalyst	56	105	160	230	350
By Region:					
North America	570	875	1,270	1,805	2,500
Western Europe	240	380	565	795	1,090
Asia / Pacific	140	230	361	563	860
Other Regions	65	125	209	327	520
- Central & South America	23	35	62	100	160
- Eastern Europe	23	43	67	102	160
- Africa/Mideast	19	47	80	125	200
World Specialty Enzyme Demand	**1,015**	**1,610**	**2,405**	**3,490**	**4,970**
World Enzyme Demand	**2,625**	**3,830**	**5,750**	**7,980**	**11,250**
Specialty Enzymes %	**38.7%**	**42.0%**	**41.8%**	**43.7%**	**44.2%**

I) Pharmaceutical

Demand for pharmaceutical enzymes is projected to advance 6.4 percent per annum to $1.6 billion in 2015. Pharmaceutical enzyme demand growth will be driven principally by ongoing demand for neuromodulator enzymes such as botulinum toxin in both cosmetic and therapeutic applications, as well as by the development of new drugs for the treatment of naturally occurring enzyme deficiencies such as rare lysosomal storage disorders (LSDs). The overall strong growth in pharmaceutical enzymes will be restrained by continued weakness in cardiovascular enzymes as a result of shifts in treatment practices and the absence of new, more efficacious products.

WORLD PHARMACEUTICAL ENZYME DEMAND BY APPLICATION & REGION (in USD million)					
Item / Year	**2000**	**2005**	**2010**	**2015**	**2020**
World Pharmaceutical Shipments (bil $)	433.8	686.2	966.5	1,323.0	1,825.0
$ enzymes/000$ pharmaceuticals	1.05	1.16	1.24	1.24	1.19
World Pharmaceutical Enzyme Demand*					
By Application:					
1) Enzyme Replacement Therapy	120	260	430	580	760
2) Thrombolytic	115	110	120	130	140
3) Digestive	90	125	170	220	280
3) Other	130	300	480	710	1,000
By Region:					
North America	275	470	690	940	1,240
Western Europe	100	177	270	360	465
Asia / Pacific	55	100	155	210	270
Other Regions:	25	48	85	130	205
World Pharmaceutical Enzyme Demand*	**455**	**795**	**1,200**	**1,640**	**2,180**
World Specialty Enzyme Demand	**1,015**	**1,610**	**2,405**	**3,490**	**4,970**
Pharmaceutical Enzymes as a % of Specialty Enzymes	**44.8%**	**49.4%**	**49.9%**	**47.0%**	**43.9%**

** At the manufacturing level, before drug formulation*

II) Research & Biotechnology

Enzyme demand in research and biotechnology reached $695 million in 2010, accounting for 29 percent of specialty enzyme demand. The vast majority of enzymes used in research and biotechnology, over 80 percent of demand, are devoted to DNA amplification and sequencing. This segment is led by DNA polymerases, which have experienced strong growth as new DNA sequencing techniques have been developed in recent years and the cost of DNA sequencing has dropped dramatically.

The market for enzymes used in research and biotechnology will advance 8.8 percent per year to $1.1 billion in 2015, supported principally by continued investment in biotechnology and genetics as pharmaceutical companies rely on biotechnology to overcome difficulties in bringing successful new small molecule drugs to market. Enzyme demand will benefit from market expansion as the recent dramatic fall in sequencing costs will allow for a wider array of investigations to be pursued. However, the new sequencing methods (that have facilitated the sharp reduction in sequencing costs) make more efficient use of enzymes, and intense competition will continue to put pressure on prices and limit faster gains.

WORLD RESEARCH & BIOTECHNOLOGY ENZYME DEMAND BY TYPE & REGION (in USD million)					
Item / Year	**2000**	**2005**	**2010**	**2015**	**2020**
World Pharmaceutical Shipments (bil $)	433.8	686.2	966.5	1,323.0	1,825.0
$ enzymes / 000$ pharmaceuticals	0.77	0.68	0.72	0.80	0.88

World Research & Biotechnology Enzymes					
By Type:					
1) Polymerase	135	200	310	500	790
2) Nuclease	120	170	260	395	580
3) Other	77	100	125	165	230
By Region:					
North America	180	240	350	520	760
Western Europe	80	115	165	245	355
Asia / Pacific	50	75	120	205	335
Other Regions:	22	40	60	90	150
World Research & Biotechnology Enzyme Demand	**332**	**470**	**695**	**1,060**	**1,600**
World Specialty Enzyme Demand	**1,015**	**1,610**	**2,405**	**3,490**	**4,970**
Research & Biotechnology Enzymes as a % of Specialty Enzymes	**32.7%**	**29.2%**	**28.9%**	**30.4%**	**32.2%**

III) Diagnostics

Diagnostic enzymes accounted for nearly 15 percent of specialty enzyme demand, or $350 million, in 2010, making it the third largest specialty enzyme market. Diagnostic procedures using enzymes are widely conducted in physicians' offices, hospital laboratories and by consumers at home for routine urinalysis, blood chemistry determinations, and immunological and microbiological testing. While the dominant market sector is the clinical in vitro diagnostics industry, the food industry is also increasingly utilizing enzyme-based diagnostics due to heightened health and safety concerns, though this sector accounts for a very small percent of the diagnostics market. Major diagnostic enzymes include alkaline phosphatase, peroxidase, cholesterol esterase and oxidase, glucose phosphate dehydrogenase, glucose oxidase and triglyceride enzymes. However, with the rapid development of DNA-based diagnostic instruments for use in identifying genetic diseases, food safety and forensics, polymerases and nucleases have come to dominate the market in terms of value.

Demand for diagnostic enzymes is projected to advance nearly ten percent per annum to $560 million in 2015. The greatest gains will occur in the developed North American economy, while the fastest growth will be in the developing economies of the Asia / Pacific and Africa / Mideast regions, Central and South America, and Eastern Europe as growing per capita incomes lead to greater access to health care. In more developed economies, growth will be fuelled by an increased emphasis on preventative medicine, self-treatment, and surgical and diagnostic procedures, all of which promote the use of diagnostic tests. Additionally, rapidly growing use of DNA sequencing for the identification of food-borne pathogens will also boost demand. Dollar gains in the competitive diagnostics enzyme market will be restrained by ongoing efforts to reduce health care costs, increasing use of reusable immobilized enzymes, and competition from alternative products targeted to the point-of-care testing segment. However, this will be offset by the expansion of health care coverage in the United States, which will boost the overall volume of tests in that market.

WORLD DIAGNOSTIC ENZYME DEMAND BY TYPE & REGION (in USD million)					
Item / Year	**2000**	**2005**	**2010**	**2015**	**2020**
World Pharmaceutical Shipments (bil $)	433.8	686.2	966.5	1,323.0	1,825.0
$ enzymes / 000$ pharmaceuticals	0.40	0.35	0.36	0.42	0.46

World Diagnostic Enzymes					
By Type:					
1) Polymerase	30	45	80	150	240
2) Nuclease	29	38	71	134	217
3) Other	113	157	199	276	383
By Region:					
North America	88	115	165	255	370
Western Europe	42	56	80	122	175
Asia / Pacific	27	40	58	105	178
Other Regions:	15	29	47	78	117
World Diagnostic Enzyme Demand	**172**	**240**	**350**	**560**	**840**
World Specialty Enzyme Demand	**1,015**	**1,610**	**2,405**	**3,490**	**4,970**
Diagnostic Enzymes as a % of Specialty Enzymes	**16.9%**	**14.9%**	**14.6%**	**16.0%**	**16.9%**

IV) Biocatalysts

"Biocatalyst" is a general term and refers to enzymes that catalyze the transformation of non-natural compounds. Enzymes catalyze nearly all types of chemical reactions and are highly specific while operating at ambient temperatures and in neutral pH, with low energy requirements and little waste. Disposal poses few problems since the proteins of enzymes are biodegradable. In addition, enzymes offer a chemical and stereo-chemical selectivity which makes them attractive alternatives to many traditional catalysts in chemical manufacturing.

The biocatalyst market is the smallest of the specialty enzyme markets, with demand of $160 million in 2010. While biocatalysts are used in the production of pharmaceuticals and other fine chemicals, they are included in specialty enzymes due to their relatively low volume use and high value-added nature. Overall demand for biocatalysts will increase at a strong 7.5 percent annual pace to $230 million in 2015. However, the pace of growth will continue to moderate as the market begins to mature and as pharmaceutical companies put more and more emphasis on biologics for new drug development.

Biocatalyst demand advanced at a double-digit annual pace over the 2000-2010 period as the pharmaceutical industry (and to a lesser degree other fine chemical producers) looked to overcome rising production costs due to a combination of rapidly increasing precious metal catalyst prices, increasingly stringent regulatory regimes and rising chemical waste disposal costs. Biocatalysts have also found favor because they may be designed to be highly enantioselective, a critically important feature in the synthesis of small molecule drugs and other chemicals such as pesticides that are intended for use on living systems. While demand was quite robust over most of the 2000-2010 period, growth slowed beginning in 2008 as recessions in North America and Western Europe negatively impacted the pharmaceutical and other fine chemical industries. Additionally, demand growth has moderated as the biocatalyst industry begins to mature, and the industry faces the challenge of scaling up laboratory-scale biocatalyst solutions to work on industrial scale processes.

WORLD BIOCATALYST ENZYME DEMAND BY REGION (in USD million)					
Item / Year	**2000**	**2005**	**2010**	**2015**	**2020**
World Chemical MVA (bil 2009$)	994	1,223	1,510	1,925	2,420
$ enzymes/000$ chemicals	0.06	0.09	0.11	0.12	0.14

World Biocatalyst Enzyme Demand					
By Region:					
North America	27	50	65	90	130
Western Europe	18	32	50	68	95
Asia / Pacific	8	15	28	43	77
Other Regions:	3	8	17	29	48
World Biocatalyst Enzyme Demand	**56**	**105**	**160**	**230**	**350**
World Specialty Enzyme Demand	**1,015**	**1,610**	**2,405**	**3,490**	**4,970**
Biocatalyst Enzymes as a % of Specialty Enzymes	**5.5%**	**6.5%**	**6.7%**	**6.6%**	**7.0%**

Type-wise distribution of the Global Enzyme Market

One of the common methods of classifying Enzymes is based on the kind of substance (i.e. substrate) that they operate upon. Some of the most common include proteases which break down proteins, cellulases which break down cellulose, lipases which split fats (lipids) into glycerol and fatty acids, and amylases which break down starch into simple sugars.

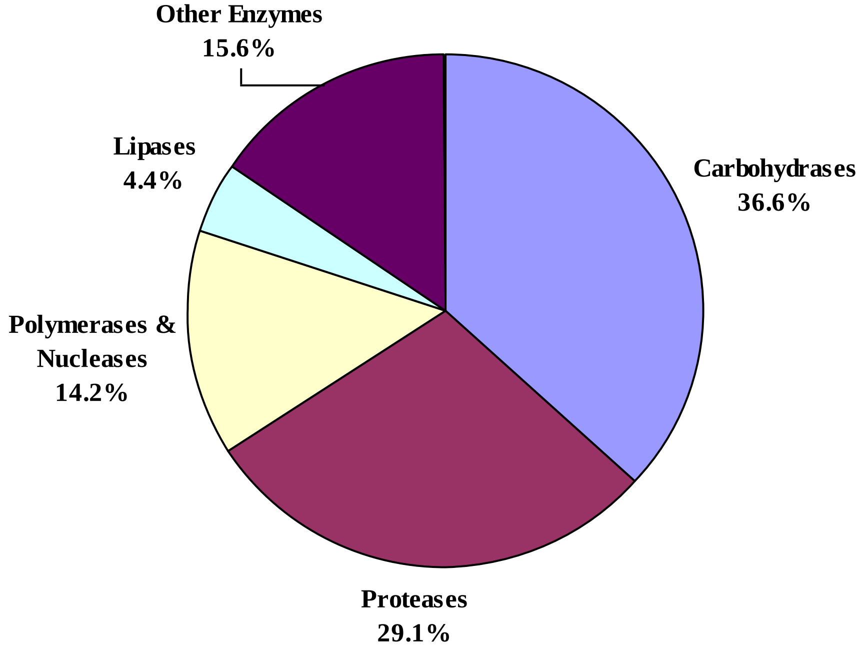
The most common and commercially significant enzyme classes include the carbohydrases, proteases, polymerases/nucleases and lipases. Additional prominent enzyme types include catalases, laccases, oxidases and phytases. Carbohydrases may be further broken down into amylases (including alpha and beta amylases, but not glucoamylases), cellulases (which also include the hemicellulases such as the xylanases and beta glucanases), and other carbohydrases (for example, galacto- and glucosidases, glucoamylases, mannanases, pectinases and pullulanases, among others). Glucose isomerases are also considered to be a type of carbohydrase. While proteases may be further broken down based on their choice of substrate or their provenance, for the purposes of this study they will be grouped together in a single category. Polymerases and nucleases have been grouped together, as they both work on nucleic acid polymers such as RNA and DNA, and are commonly used in the same markets.

Demand for enzymes is forecast to increase 6.8 percent per year to $8.0 billion in 2015, aided by rapid growth in key markets, as well as the introduction of new, higher-value products. This will include both new versions of existing products such as amylases and proteases that have been optimized for specific applications, and new enzyme types whose potential has yet to be fully explored. Polymerases and nucleases will achieve the fastest growth due to the growing interest of pharmaceutical companies in using biotechnology to bring new drugs to market, as well as the rapid development of new diagnostic tests that target DNA and RNA substrates. Other enzymes will also offer some of the best opportunities for growth through 2015, helped by strong increases in phytase enzymes for animal feed applications, the market development of sulfatases and other enzymes for enzyme replacement therapy, and continued expansion of the biocatalyst market. Good market opportunities will also exist in carbohydrases due to strong growth in most industrial applications.

Carbohydrases will continue to represent the largest single category of enzymes, supported by the large fuel ethanol and starch processing markets, as well as applications in food and beverages, textiles and pharmaceuticals. Proteases, the second largest enzyme category, will continue to lose market share as the cleaning product, dairy and leather markets have reached maturity and competitive pricing pressures remain strong.

WORLD ENZYME DEMAND BY TYPE (in USD million)					
Item / Year	**2000**	**2005**	**2010**	**2015**	**2020**
World Gross Domestic Product (bil 2009$)	53,660	63,890	75,350	92,800	113,800
$ enzymes/mil $ GDP	49	60	76	86	99
World Enzyme Demand					
By Type:					
Carbohydrases	845	1,292	2,107	2,820	4,000
Proteases	975	1,260	1,675	2,200	2,850
Polymerases & Nucleases	360	525	815	1,285	1,940
Lipases	130	185	255	350	470
Other Enzymes	315	568	898	1,325	1,990
World Enzyme Demand	**2,625**	**3,830**	**5,750**	**7,980**	**11,250**

WORLD ENZYME DEMAND BY TYPE (2010): $5.8 billion



North American Enzyme Market:

Enzyme demand in North America is heavily concentrated in the United States, which alone accounted for 92 percent of regional demand in 2010. Promising markets can be found in Canada and Mexico as well, with demand increases in Canada above the regional average, as strong growth in specialty enzymes drives gains. Overall, enzyme demand in North America will advance 5.5 percent per year to over $3.4 billion in 2015. While advances in specialty enzymes will help drive strong overall market growth, enzyme demand will be restrained by the relatively mature nature of most North American industrial enzyme markets, with the maturation of the grain-based ethanol biofuel production market in the US contributing to a significant portion of the slower growth.

The United States is the largest consumer of enzymes in the world, accounting for over 40 percent of the global and 92 percent of the regional demand in 2010. All enzyme markets are found in the US due to the diversity of its advanced economy. Easy access to capital and a business climate that favors both constant productivity enhancements and cost reductions also make it a natural location for the introduction of new applications.

Going forward, enzyme demand in the US will advance 5.4 percent annually to $3.1 billion in 2015, as strong growth in specialty enzymes offsets slower growth in biofuel production and maturity in most industrial enzyme markets. Biofuel production enzymes, in particular, will experience much slower advances in demand as the industry matures and future increases in grain-based ethanol consumption mandated under federal law are lower in percentage terms than in years past. Most enzyme types will experience moderate to strong growth, with cellulases doing particularly well due to the development of the cellulosic ethanol industry.

The largest portion of enzyme demand in the US is accounted for by the industrial enzyme segment, which reached $1.2 billion in 2010. Industrial enzymes include a wide variety of markets such as animal feed, cleaning products (detergents), cosmetics and toiletries, ethanol production, food and beverages, oilfield chemicals, pulp and paper, starch processing, and textiles and leather. Several of these markets have reached maturity in the United States as the use of enzymes has become standard practice. Some industries, such as textiles and leather, are facing declines as production has shifted to countries with lower labor costs such as China and India. With the slow development of the biomass-based ethanol industry and a cloudy economic future due to the uncertainties surrounding the debt situation in the European Union, persistently high unemployment and a housing market that shows no sign of recovering, short-term prospects for US industrial enzyme demand remain challenging. However, a rebound in economic growth by 2015 should support healthy average annual increases in enzyme demand over the forecast period.

The rest of enzyme demand in the US is accounted for by the specialty enzyme segment, which reached $1.2 billion in 2010. Demand has increased rapidly in recent years as the continued introduction of new drugs to treat lysosomal storage disorders and the explosive growth in the use of botulinum toxin for cosmetic procedures have resulted in pharmaceutical enzyme demand expanding at a double-digit annual pace between 2000 and 2008. However, growth moderated significantly during the country’s long recession as consumers cut discretionary spending on cosmetic procedures and many of the newest enzyme replacement therapy drugs rapidly reached patient saturation in the US. Strong growth in US pharmaceutical shipments has also contributed to rapid gains in research and biotechnology enzymes as companies have increasingly turned to biologically-derived compounds to fill their new drug pipelines. Diagnostic enzyme growth has also been strong in recent years as new diagnostic tests increasingly use polymerases and nucleases to check for a variety of factors.

UNITED STATES ENZYME DEMAND BY TYPE & MARKET (in USD million)					
Item / Year	**2000**	**2005**	**2010**	**2015**	**2020**
By Type:					
Carbohydrases	405	545	920	1,110	1,410
- Amylases	137	175	320	375	410
- Cellulases	43	50	60	80	305
- Other Carbohydrases	225	320	540	655	695
Proteases	390	515	640	775	890
Polymerases & Nucleases	185	255	400	620	910
Lipases	50	70	95	120	160
Other Enzymes	130	215	335	490	790
By Market:					
Industrial Enzymes Market	**625**	**780**	**1,200**	**1,425**	**1,830**

Food & Beverage	155	190	245	320	420
Cleaning Product	175	200	255	300	350
Biofuel Production	69	145	440	524	718
Animal Feed	26	65	75	95	115
Other Industrial	200	180	185	186	227
Specialty Enzymes Market	**535**	**820**	**1,190**	**1,690**	**2,330**
Pharmaceutical	260	445	655	890	1,170
Research & Biotechnology	170	225	325	482	703
Diagnostics	80	105	150	233	337
Biocatalyst	25	45	60	85	120
United States Enzyme Demand	**1,160**	**1,600**	**2,390**	**3,115**	**4,160**
North America Enzyme Demand	**1,270**	**1,750**	**2,605**	**3,405**	**4,560**
United States as a % of North America Enzyme Demand	**91.3%**	**91.4%**	**91.7%**	**91.5%**	**91.2%**

Western Europe Enzyme Market:

Western Europe is the second largest market for enzymes behind North America, accounting for $1.2 billion or more than 20 percent of global demand in 2010. In Western Europe, six countries namely Germany, France, United Kingdom, Italy, Netherlands and Spain collectively account for about 80 percent of the region’s demand.

Enzyme demand in Western Europe will rise 5.8 percent per year to $1.6 billion in 2015. Growth in industrial enzyme demand will generally be restrained by mature markets and weak economic performance as many West European countries struggle with the challenge of recovering from the European debt crisis. Additionally, the ongoing shift in the manufacturing base of West European companies toward those lower labor cost countries in the east of the European Union will have a corresponding negative impact on industrial enzyme demand.

Specialty enzymes will continue to grow at a much faster rate than industrial enzymes, further reflecting the region’s manufacturing woes. Diagnostic and research and biotechnology enzymes will achieve the fastest gains as advances in diagnostic tests afforded by the drop in DNA sequencing costs will lead to an expansion in testing for agricultural, food and medical applications, and the region’s large pharmaceutical companies continue to boost research and development spending on biologics to expand their new drug pipelines. In contrast, pharmaceutical enzyme demand growth will moderate as some products lose patent protection and new, or alternative, therapies are brought to market. Biocatalyst demand growth will remain strong, as Europe’s pharmaceutical companies invest in new production technologies in an effort to stay competitive with companies in North America and the Asia/Pacific region. However, the pace of advances will moderate as the market continues to mature.

In industrial enzymes, biofuel production and food and beverages will be the fastest growing markets, with the animal feed market also experiencing healthy gains. Biofuel production will benefit from EU efforts to reduce greenhouse gas emissions by requiring certain minimum amounts of renewable content in fuels and other forms of energy. Increasing food and beverage enzyme demand will reflect the continued innovation and development of new products, particularly as food companies continue to turn to enzymes to replace other artificial additives in foods. Following challenging market conditions amid the region’s deep recession in 2009, animal feed enzyme demand will improve through 2015. However, market maturity and strong competition will limit advances.

WESTERN EUROPE ENZYME DEMAND BY TYPE & MARKET (in USD million)					
Item / Year	**2000**	**2005**	**2010**	**2015**	**2020**
By Type:					
Carbohydrases	190	290	410	535	725
- Amylases	76	108	155	195	245
- Cellulases	46	67	70	88	130
- Other Carbohydrases	68	115	185	252	350
Proteases	250	285	350	440	540
Polymerases & Nucleases	85	125	185	275	395
Lipases	35	45	55	75	95
Other Enzymes	85	155	220	290	365
By Market:					
Industrial Enzymes Market	**405**	**520**	**655**	**820**	**1,030**
Food & Beverage	130	180	275	365	475
Cleaning Product	150	163	185	215	240
Biofuel Production	1	10	25	37	64
Animal Feed	53	112	122	152	191
Other Industrial	71	55	48	51	60
Specialty Enzymes Market	**240**	**380**	**565**	**795**	**1,090**
Pharmaceutical	100	177	270	360	465
Research & Biotechnology	80	115	165	245	355
Diagnostics	42	56	80	122	175
Biocatalyst	18	32	50	68	95
Western Europe Enzyme Demand	**645**	**900**	**1,220**	**1,615**	**2,120**
World Enzyme Demand	**2,625**	**3,830**	**5,750**	**7,980**	**11,250**
Western Europe as a % of World Enzyme Demand	**24.6%**	**23.5%**	**21.2%**	**20.2%**	**18.8%**

Asia Pacific Enzyme Market:

The Asia/Pacific region is the third largest regional consumer of enzymes at $1.1 billion in 2010, accounting for 19 percent of global demand. The majority of the region's demand is accounted for by China and Japan, reflecting the size and strength of their economies. However, economic liberalization in India has rapidly expanded enzyme demand there as well.

Despite the Asia/Pacific region's large market size relative to the three smaller regions, rapid growth in both China and India will help drive the region's growth at a pace comparable to that in Central and South America and the Africa/Mideast region. Through 2015, demand will rise 9.1 percent annually to $1.7 billion. Unlike in most other regions of the world, growth in industrial enzyme demand will nearly equal that in specialty enzyme demand, reflecting the region's rapidly expanding manufacturing sector. Diagnostics will realize the fastest growth (from a relatively small base), while animal feed, research and biotechnology, and food and beverages will rise at a double digit annual pace.

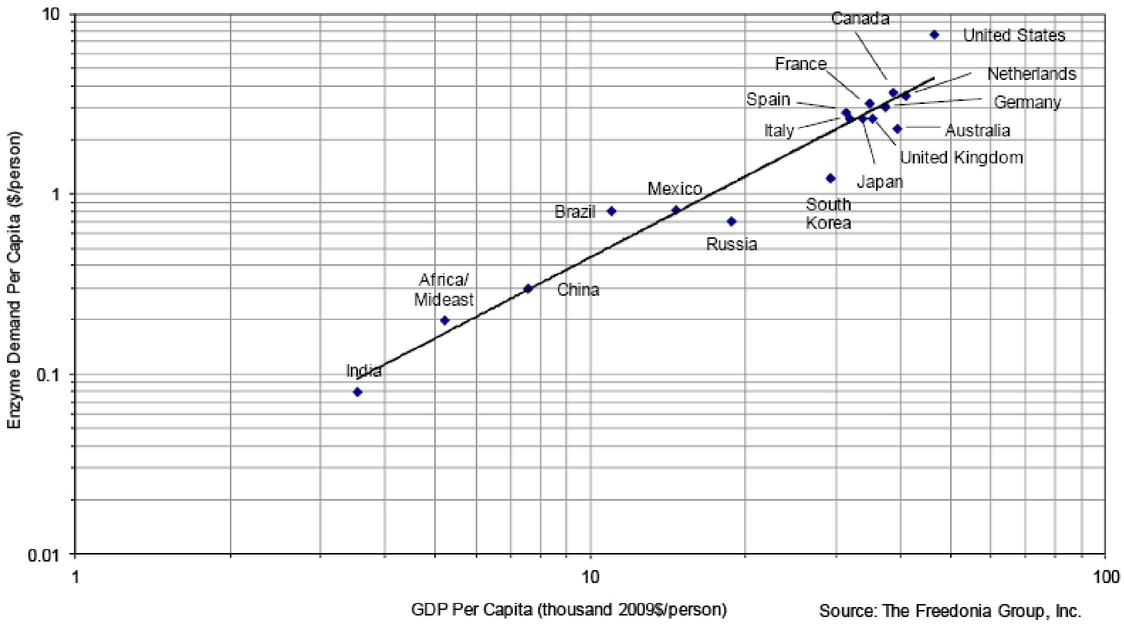
Industrial enzymes constituted two-thirds of enzyme demand in the Asia/Pacific region in 2010, with the food and beverage and cleaning product (detergent) markets accounting for the majority of this demand. The shift of textile and leather production from developed nations in North America and Western Europe into the region over the past decade has also boosted the market for textile and leather enzymes. Diagnostic enzymes will experience the fastest growth as rising per capita incomes in developing countries help drive expanded demand for health care. Animal feed enzymes, while still a small market, are also expected to achieve rapid advances as rising regional per capita meat consumption boosts demand for poultry and swine. Other industrial enzyme markets that offer growth opportunities in the region include food and beverage, starch processing, pulp and paper processing, personal care products, and oilfield chemicals.

Specialty enzymes will continue their strong growth, led by diagnostic and research and biotechnology enzymes. Rising demand for medical care and an increased focus on food quality in rapidly developing economies will drive advances in diagnostic enzymes. Research and biotechnology enzyme demand gains will reflect the ongoing trend of chemical companies establishing research and technology centers in China and India in an effort to enable new product development close to rapidly expanding manufacturing operations. Increased pharmaceutical and other fine chemical production in the region will also underpin strong gains in biocatalyst enzyme demand. Advances in pharmaceutical enzymes, in contrast, will moderate significantly as the development of generic versions of some existing drugs puts downward pressure on average prices, and the high cost of most enzyme replacement therapy pharmaceuticals remains out of reach for much of the region.

ASIA PACIFIC ENZYME DEMAND BY TYPE & MARKET (in USD million)					
Item / Year	**2000**	**2005**	**2010**	**2015**	**2020**
By Type:					
Carbohydrases	125	235	400	610	985
- Amylases	55	100	175	270	390
- Cellulases	25	45	73	115	250
- Other Carbohydrases	45	90	152	225	345
Proteases	160	215	320	470	680
Polymerases & Nucleases	50	80	128	230	380
Lipases	22	35	54	75	110
Other Enzymes	53	100	178	285	455
By Market:					
Industrial Enzymes Market	**270**	**435**	**719**	**1,107**	**1,750**
Food & Beverage	105	170	320	520	800
Cleaning Product	90	118	165	240	340
Biofuel Production	1	6	15	23	54
Animal Feed	20	52	89	155	284
Other Industrial	54	89	130	169	272
Specialty Enzymes Market	**140**	**230**	**361**	**563**	**860**
Pharmaceutical	55	100	155	210	270
Research & Biotechnology	50	75	120	205	335
Diagnostics	27	40	58	105	178
Biocatalyst	8	15	28	43	77
Asia Pacific Enzyme Demand	**410**	**665**	**1,080**	**1,670**	**2,610**
World Enzyme Demand	**2,625**	**3,830**	**5,750**	**7,980**	**11,250**
Asia Pacific as a % of World Enzyme Demand	**15.6%**	**17.4%**	**18.8%**	**20.9%**	**23.2%**

Indian Enzyme Market:

India has per capita GDP (PPP) of US$ 3,900 (2012 est.) and ranks 164 in the world *(Source: CIA World Factbook*). Real GDP in India is expected to advance 7.9% annually through 2015, slower than the 2005-2010 pace but well above the regional average. On a per capita consumption basis, a general correlation exists between enzyme demand and per capita GDP, with most countries falling on, or near, the trend line. This low per capita GDP of India and correlation between per capita GDP and enzyme demand indicates significant potential and headroom for growth in the Indian enzyme market.



Though, the market for enzymes in India is relatively small US$ 96 million in 2010, but will be the fastest growing in the world through 2015. Advances will average more than 12% per year through 2015, driving demand to $170 million. As with most other markets in the Asia / Pacific region, demand is concentrated in industrial enzymes. However, the rapid development of India's pharmaceutical industry is starting to change this, and specialty enzyme demand will outpace industrial enzyme demand going forward.

Enzyme demand in India is concentrated in industrial enzymes, particularly the cleaning product (detergent), food and beverage, and textile and leather markets. However, even within these industries, enzyme usage rates are significantly below the developed economies of Japan, North America and Western Europe. To a large extent, this can be traced to the government policies that have made it disadvantageous for companies to grow above a certain size, and restricted access to foreign capital for modernization and productivity enhancements. Consequently, smaller companies have lacked the assets and financial resources to modernize their operations with the newer, more efficient technologies that make greater use of enzymes. As the economy is slowly opened to increased foreign direct investment, enzyme usage rates should continue to improve.

In specialty enzymes, most demand is concentrated in the pharmaceutical and research and biotechnology enzyme markets. Growth in the pharmaceutical market is expected to be robust going forward as rising per capita incomes and the reform of India's patent laws to reflect the country's commitments to the World Trade Organization encourage western companies to enter the Indian market. In addition to the pharmaceutical market, strong growth will also be seen in research and biotechnology as the government seeks to promote development of the biotechnology sector to showcase the country's technological prowess, and Indian pharmaceutical and biotechnology companies increasingly seek to make inroads into the developed markets of the United States, the European Union and Japan by investing in advanced technologies. This same trend will also benefit the biocatalysis market.

INDIA : ENZYME DEMAND BY TYPE & MARKET (in USD million)					
Item / Year	**2000**	**2005**	**2010**	**2015**	**2020**
India Enzyme Demand					
By Type:					
1) Carbohydrases	10	20	35	59	109
2) Proteases	13	21	33	58	92
3) Other Enzymes	7	15	28	53	94
By Market:					
Industrial Enzymes	24	42	71	125	215
- Food & Beverage	6	12	23	45	75
- Cleaning Product	9	15	25	45	70
- Other Industrial	9	15	23	35	70
Specialty Enzymes	6	14	25	45	80
Total India Enzyme Demand	**30**	**56**	**96**	**170**	**295**
% of India Enzyme Market contributed by Industrial Enzymes	**80.0%**	**75.0%**	**74.0%**	**73.5%**	**72.9%**
Asia / Pacific Enzyme Demand	**410**	**665**	**1,080**	**1,670**	**2,610**
% of India Enzyme Demand to the Asia / Pacific Enzyme Demand	**7.3%**	**8.4%**	**8.9%**	**10.2%**	**11.3%**

Factors affecting the Global Enzyme market:

Economic conditions often have the most direct impact on enzyme demand, particularly at a regional and country level. Along with general economic health, rising per capita gross domestic product tends to correlate with growing enzyme demand as consumers boost meat (protein) consumption, and are increasingly able to afford enzyme-containing detergents and personal care products, processed foods, and more expensive pharmaceuticals. Consumer-related enzyme markets are also affected by demographic trends, with changes in population size and composition impacting detergent and pharmaceutical demand. In developed economies, enzymes have become an important contributor to sustained economic growth by adding to productivity gains and offering enhanced value to products, while in developing economies globalization has increased the rate of technology transfer and rising per capita incomes afford consumers greater buying power for value-added products that may contain, or be produced by, enzymes.

WORLD ENZYME DEMAND BY MARKET (in USD million)					
Item / Year	**2000**	**2005**	**2010**	**2015**	**2020**
World Gross Domestic Product (bil 2009$)	53,660	63,890	75,350	92,800	113,800
$ enzymes/mil $ GDP	49	60	76	86	99

With industrial applications accounting for ~58.2% of the global enzyme demand in 2010, the enzyme market is heavily influenced by the outlook for the manufacturing sector. Enzymes have been pivotal in helping to enhance productivity through facilitating cost reductions in legacy manufacturing industries in developed economies. The food and beverage, starch processing, textile and leather, pulp and paper, animal feed, and oilfield services industries have all benefited from the use of enzymes, which often replace harsh and/or toxic chemicals, and help reduce waste treatment costs. Consequently, in addition to improving efficiency, enzymes also improve companies' environmental profiles. Specialty enzyme demand is reliably indicated by the outlook for the pharmaceutical sector, as it impacts not only demand for enzymes used as pharmaceuticals, but also the demand for biocatalysts used in pharmaceutical production, and enzymes used in research and development applications. The outlook for some of these sectors, influencing the demand for enzymes is described below.

1. Global Food & Beverage Outlook

The global food and beverage market accounts for the largest share (~21.2%) of the overall enzyme demand, making the outlook for the food and beverage industry centrally important for the growth of the global enzyme market. Real food, processed beverage and tobacco manufacturing production (in value added terms) are forecast to expand 4.1% per year through 2015. Much of this growth will be attributable to rising standards of living in developing nations that allow for greater per capita food and beverage consumption, consumption of higher quality foods and increases in production of processed foods. China, Iraq and India are expected to post some of the fastest output gains, with strong growth also occurring in Nigeria and Vietnam.

Developed countries are expected to record more modest increases through 2015. The North American and West European food and beverage markets are mature, generally tracking or slightly exceeding population growth, with the average amount of food consumed per person remaining relatively constant from year to year. Modest gains in these areas will reflect changes in the product mix towards more convenient and healthier items, which also typically carry higher price tags. Factors driving food and beverage market advances in these nations include cost consciousness, nutritional awareness, flavor and convenience at the consumer level. Consumption of ready-to-eat products is expected to climb further, as are sales of organic foods.

Food and beverage production in the Asia Pacific region is particularly sensitive to agricultural performance, as most of the area relies on farming as a major source of income. As a result, an upswing in the agricultural sector improves farmer wages and purchasing power, thereby promoting food and beverage consumption. In addition, agriculture is the obvious source of raw materials for processed foods and directly affects the cost of production. Overall, increases in agricultural productivity in Asia are expected to boost disposable incomes and lead to more competitive pricing, both of which should benefit the food and beverage manufacturing sector.

Emerging markets for processed foods and beverages tend to be characterized by relatively rapid expansions in gross domestic product and rising household incomes. For example, per capita GDP is rising at strong rates in Eastern Europe and in Central and South America. In these regions, food and beverage manufacturers have sought to achieve cost improvements, while maintaining and upgrading product quality. Local producers have also embraced the trend toward prepared, ready-to-eat items. Many of the leading processors in emerging markets have further mirrored their developed world counterparts by expanding through merger and acquisition activities.

WORLD FOOD, BEVERAGE & TOBACCO MANUFACTURING VALUE ADDED BY REGION (in USD billion)					
Region / Year	**2000**	**2005**	**2010**	**2015**	**2020**
Region-wise Food, Beverage & Tobacco MVA					
North America	291.5	297.5	312.8	337.0	361.5
- United States	203.5	200.2	209.9	215.5	225.5
- Canada & Mexico	88.0	97.3	102.9	121.5	136.0
Western Europe	271.7	278.3	268.3	290.0	310.0
Asia / Pacific	403.4	513.7	714.1	974.5	1290.0
- China	102.8	166.2	310.8	471.0	674.5

WORLD FOOD, BEVERAGE & TOBACCO MANUFACTURING VALUE ADDED BY REGION (in USD billion)					
Region / Year	**2000**	**2005**	**2010**	**2015**	**2020**
- Japan	104.5	100.9	95.1	102.0	103.0
- Other Asia / Pacific	196.1	246.6	308.2	401.5	512.5
Other Regions:	366.4	431.5	512.8	613.5	738.5
- Central & South America	151.5	177.5	218.7	260.5	313.0
- Eastern Europe	113.3	134.4	154.1	182.5	218.0
- Africa/Mideast	101.6	119.6	140.0	170.5	207.5
World Food, Beverage & Tobacco MVA	**1,333.0**	**1,521.0**	**1,808.0**	**2,215.0**	**2,700.0**

2. Global Chemical Outlook

World chemical manufacturing activity, represented by chemical manufacturing value added (a measure of chemical output excluding raw material inputs), is forecast to expand 5.0 percent annually in real (inflation-adjusted) terms through 2015. This acceleration from the sector's 4.3 percent annual pace in the 2000-2010 decade is predicated on relatively solid fundamentals. In particular, chemical shipments should benefit from significant improvement in fixed investment expenditures, a key sector for such major chemical derivatives as plastics, elastomers, paints and adhesives that will outpace real GDP growth through 2015.

While the outlook for commodity chemicals, especially petrochemicals, is steady, growth will remain healthy for value-added specialties, among which are nutraceuticals and related life science products, electronic chemicals, and additives like flavors and fragrances. In individual segments, environmentally sustainable chemicals will continue to expand their market share, especially where they can be used to supplant more toxic chemicals.

WORLD CHEMICAL MANUFACTURING VALUE ADDED BY REGION (in USD billion)					
Region / Year	**2000**	**2005**	**2010**	**2015**	**2020**
Region-wise Chemical Manufacturing Value Added					
North America	260.3	278.6	269.7	301.0	325.0
- United States	221.3	238.2	230.5	253.5	269.5
- Canada & Mexico	39.0	40.4	39.2	47.5	55.5
Western Europe	212.2	247.0	258.4	280.0	304.0
Asia / Pacific	336.7	464.5	692.6	988.5	1,356.0
- China	118.4	186.9	357.0	544.0	785.5
- Japan	71.5	73.6	69.8	71.7	72.9
- Other Asia / Pacific	146.8	204.0	265.8	372.8	497.6
Other Regions:	184.8	232.9	289.3	355.5	435.0
- Central & South America	68.9	88.6	112.7	136.5	164.5
- Eastern Europe	55.3	68.3	76.3	93.5	113.0
- Africa/Mideast	60.6	76.0	100.3	125.5	157.5
World Chemical Manufacturing Value Added	**994.0**	**1,223.0**	**1,510.0**	**1,925.0**	**2,420.0**

3. Global Cleaning Product Outlook

The soap and detergent market was one of the first significant consumers of enzymes, and remains the second largest industrial enzyme market overall. Most soap and detergent products are manufactured locally, both to take advantage of local preferences in detergent formulation, and because the bulk and weight of soap and detergent products makes transportation costly. Consequently, market maturity in more developed countries has shifted industry focus, in terms of market expansion, toward those countries and regions experiencing the fastest overall market growth.

Shipments of soaps and detergents (including soaps, detergents, cleaners, polishes and disinfectants) are projected to rise 4.7 percent per year (including price increases) to $162 billion in 2015. Growth in the soap and detergent industry will derive from new product introductions, higher-performance extensions to existing product lines, and rapidly increasing demand in developing regions as living standards increase worldwide. The soap and detergent industry is characterized by tough price competition and challenges from generic brands and private labels. In a battle for market share in a mature market, manufacturers have attempted to add value through the extension and reformulation of established brands with value-added properties such as antibacterial agents and more sophisticated and substantive fragrances. Newer product launches, such as compact powder (i.e., tablet) detergent, foaming dish detergent, new stain removers and portable antimicrobial products, will also support gains.

WORLD SOAP & DETERGENT SHIPMENTS BY REGION (in USD billion)					
Region / Year	**2000**	**2005**	**2010**	**2015**	**2020**
Region-wise Soap & Detergent Shipments					
North America	26.1	31.8	44.0	52.0	61.0
- United States	22.2	27.4	38.8	46.0	54.0
- Canada & Mexico	3.9	4.4	5.2	6.0	7.0
Western Europe	17.1	23.7	28.0	33.0	38.5
Asia / Pacific	14.1	22.3	35.2	49.5	66.0
- China	3.2	8.4	16.0	25.0	35.0
- Japan	3.8	3.8	4.2	3.8	4.0
- Other Asia / Pacific	7.1	10.1	15.0	20.7	27.0
Other Regions:	10.7	14.7	21.8	27.5	34.5
- Central & South America	4.4	6.2	11.4	15.0	19.0
- Eastern Europe	4.2	5.5	6.2	7.5	9.0
- Africa/Mideast	2.1	3.0	4.2	5.0	6.5
World Soap & Detergent Shipments	**68.0**	**92.5**	**129.0**	**162.0**	**200.0**

4. Global Animal Feed Outlook

Enzymes have become an important component of animal feed, particularly in developed economies where strong competition and abundant supply have generally suppressed meat prices and pressured farmer incomes. By allowing animals to maximize the nutrients they absorb from feed, enzymes help reduce feed costs and minimize the production of animal waste. In the latter case, rising concerns over environmental pollution from high phosphate animal wastes have specifically boosted demand for enzymes in the animal feed industry. Consequently, overall trends in the animal feed industry may have a direct impact on enzyme demand in this market.

World animal feed production is expected to rise 4.4 percent annually to $310 billion in 2015, led by strong growth in Central and South America, and in India and China in the Asia/Pacific region. Rising per capita meat consumption in emerging and developing economies will boost feed demand, and hence production, as most feed is compounded, or mixed, locally. In the Asia / Pacific region this will be particularly evident in China, as well as countries such as Thailand and Vietnam. In Central and South America, Brazil will achieve the largest gains as the country's livestock industry continues to expand to meet growing global demand. Additionally, ongoing tight global supplies of feed grains, due in part to the rapidly expanding production of fuel ethanol from maize in North America, will help sustain higher average feed grain commodity prices, and support growth going forward.

Central and South America is expected to achieve the fastest gains in animal feed shipments through 2015, though the largest gains will be in the Asia/Pacific region. Eastern Europe and the Africa/Mideast region are also expected to see above-average growth in feed production as countries seek to boost livestock production to meet rising per capita levels of meat consumption.

WORLD ANIMAL FEED SHIPMENTS BY REGION (in USD billion)					
Region / Year	**2000**	**2005**	**2010**	**2015**	**2020**
Region-wise Animal Feed Shipments					
North America	28.5	38.0	55.4	61.5	75.5
- United States	22.9	30.8	46.3	50.9	62.4
- Canada & Mexico	5.6	7.2	9.1	10.6	13.1
Western Europe	37.4	53.6	74.6	86.0	102.0
Asia / Pacific	26.7	39.5	84.0	113.5	145.0
- China	8.3	18.7	55.0	80.0	105.0
- Japan	7.5	7.0	10.0	9.0	9.5
- Other Asia / Pacific	10.9	13.8	19.0	24.5	30.5
Other Regions:	14.9	23.9	36.0	49.0	62.5
- Central & South America	5.7	10.1	15.0	22.0	29.0
- Eastern Europe	5.9	10.3	16.5	21.5	26.5
- Africa/Mideast	3.3	3.5	4.5	5.5	7.0
World Animal Feed Shipments	**107.5**	**155.0**	**250.0**	**310.0**	**385.0**

5. Global Pharmaceutical Outlook

The pharmaceutical industry has emerged as one of the key contributors to enzyme demand, specifically specialty enzymes. A number of enzymes have now been developed that are used as pharmaceuticals; however, enzymes are also used as biocatalysts to produce small-molecule pharmaceuticals, and in biotechnology research and development that is often at the heart of next- generation drug discovery.

Pharmaceutical demand patterns by therapeutic group will generally follow broad epidemiological trends and the impact of new and improved product introductions. With projected 2015 sales of $350 billion, hormones and metabolic agents will remain the top-selling medication class worldwide based on the high value-added nature of many therapies and the increasing incidence of cancer, diabetes, infertility and post-menopausal problems. Driven by indications involving autoimmune diseases, neurological disorders, psychotherapeutic disorders and general pain treatment, central nervous system drugs will account for the second largest share of world demand among pharmaceuticals amounting to $280 billion in 2015.

The rising prevalence of high cholesterol, hypertension and direct heart-related conditions will boost global demand for cardiovascular drugs 3.8 percent annually to $184 billion in 2015. World sales of biologicals will advance rapidly, rising over twelve percent per year to $170 billion in 2015. Upward trends in the prevalence of influenza, sexually transmitted diseases and other bacterial and viral illnesses, coupled with increasing applications in the prevention of health care-acquired infections, will create an $80 billion global market for anti-infective agents in 2015. World demand for respiratory medication will also advance slowly, increasing 2.9 percent annually to $77 billion in 2015. Patent losses and generic competition will hold down growth. Trends promoting preventive medicine and self-treatment will boost global demand for nutritional preparations, including herbal and non-herbal dietary supplements, 3.4 percent annually to $46 billion in 2015. Over the same period, the world market for gastrointestinal agents will expand 2.2 percent annually to $45 billion.

Spurred by new and recently introduced drugs for age-related macular degeneration and glaucoma, global demand for ophthalmic agents will rise ten percent annually to $36 billion in 2015. An expanding incidence of skin problems attributable to aging population trends, coupled with the rising popularity of therapeutic anti-aging products, will boost the world market for dermatological preparations 5.8 percent annually to $20 billion in 2015. Over the same period, other pharmaceuticals consisting of anti-transplant rejection and various unclassified orphan drugs will grow 4.6 percent per year to $35 billion.

WORLD PHARMACEUTICAL DEMAND BY THERAPEUTIC CLASS (in USD billion)					
Item / Year	**2000**	**2005**	**2010**	**2015**	**2020**
World Health Expenditures	3,613	5,315	7,280	10,250	14,700
$ pharmaceuticals /000$ expenditures	120	129	133	129	124
World Pharmaceutical Demand					
By Therapeutic Area:					
Hormones & Metabolic Agents	61.4	125.0	219.0	350.0	530.0
Central Nervous System Agents	103.4	172.0	217.0	280.0	390.0
Cardiovascular Agents	86.5	120.0	153.0	184.0	225.0
Biologicals	19.5	32.5	95.5	170.0	270.0
Anti-Infective Agents	44.5	60.8	70.6	80.0	93.0
Respiratory Agents	33.8	54.8	66.7	77.0	88.0
Nutritional & Herbal Preparations	22.7	32.0	38.9	46.0	54.0
Gastrointestinal Agents	33.8	46.2	40.4	45.0	50.0
Ophthalmic Agents	7.9	11.5	22.3	36.0	57.0
Dermatological Agents	7.3	10.4	15.1	20.0	26.0
Other	13.0	21.0	28.0	35.0	42.0
World Pharmaceutical Demand	**433.8**	**686.2**	**966.5**	**1,323.0**	**1,825.0**

In terms of pharmaceutical production, total world shipments of pharmaceuticals are forecast to increase 6.5 percent annually to $1.3 trillion in 2015, mainly on account of evolving epidemiological trends and changing patient care approaches. Although losing market share to emerging industries in China, India, Brazil and several other developing countries, the United States, Canada, Western Europe and Japan will continue to lead world pharmaceutical production, accounting for more than 70 percent of 2015 shipments. Among all developing countries, China and India are achieving the greatest progress in expanding and upgrading pharmaceutical production capabilities.

The pharmaceutical industry of India includes over 25,000 local firms that historically generated sales and profits by manufacturing generic drugs as well as pirated versions of proprietary medicines protected by patents in other countries. In 2005, the country entered into an agreement with the World Trade Organization (WTO) to honor pharmaceutical patents and eliminate pirating activity. Indian drug makers are now focusing on developing new, innovative drugs for worldwide markets and pose a potential competitive threat to well-established multinational pharmaceutical manufacturers operating in the developed world. In new drug development activities, India will benefit from its large base of life scientists and low salary cost structure.

WORLD PHARMACEUTICAL SHIPMENTS BY REGION (in USD billion)					
Region / Year	**2000**	**2005**	**2010**	**2015**	**2020**
Region-wise Pharmaceutical Shipments					
North America	164.4	262.6	354.5	477.8	655.7
- United States	149.0	238.4	320.0	430.0	590.0
- Canada & Mexico	15.4	24.2	34.5	47.8	65.7
Western Europe	134.4	212.9	297.6	397.9	537.3
Asia / Pacific	95.6	148.7	217.9	306.3	427.3
- China	21.9	43.4	75.9	114.9	168.3
- Japan	43.8	58.4	71.1	88.7	112.0
- Other Asia / Pacific	29.9	46.9	70.9	102.7	147.0
Other Regions:	39.4	62.1	96.5	141.1	204.7
- Central & South America	15.3	24.2	38.0	55.6	80.7
- Eastern Europe	8.8	12.9	17.5	24.0	33.6
- Africa/Mideast	15.3	25.1	41.1	61.5	90.4
World Pharmaceutical Shipments	**433.8**	**686.2**	**966.5**	**1,323.0**	**1,825.0**

Environmental and Regulatory Issues:

In addition to the above, environmental issues, regulatory issues, ongoing technological developments and intellectual property concerns also continue to impact and influence the global enzyme market significantly.

Enzymes are affected by a number of environmental and regulatory issues, both at the production and consumption level. In enzyme production, the concern is over worker health and safety since proteins and isolated enzymes may illicit an allergenic response if they are inhaled repeatedly, or come in contact with exposed skin. Companies have found ways of ensuring that workers are minimally exposed to dust that might contain enzymes, which has significantly reduced exposure-related health issues. At the consumption level, the enzymes themselves may be regulated, or the enzyme market may benefit from regulation of a downstream product.

The heaviest regulation of enzymes occurs in the food and beverage and pharmaceutical markets, as these enzymes are intended for human use. In food and beverages, enzymes must be demonstrated as safe for human consumption. In Europe, additional regulations went into effect at the beginning of 2009 that further restricted food and beverage enzyme use to only enzymes that had been pre-approved, and then only for applications that had been previously articulated. To receive approval, an enzyme must be demonstrably safe for human consumption, meet an otherwise unmet technological need, and not be used in such a way as to mislead or confuse the consumer. Pharmaceutical enzymes, as with other drugs, must undergo rigorous testing to ensure efficacy and safety before being allowed on the market. For drugs marketed in the United States, the production facilities must also be inspected by the US Food and Drug Administration (FDA) to ensure they are following good manufacturing practices.

In other markets, enzymes often benefit from regulation. Ethanol production enzymes have recently benefited from moves by many countries to mandate the use of bioethanol in their gasoline pools in an effort to reduce net carbon dioxide emissions. This has boosted demand in portions of Western Europe and

China where wheat and corn are used as raw materials for ethanol production. The biggest driver of bioethanol demand, however, has been the Energy Independence and Security Act of 2007 (EISA) in the United States, which is aimed at lessening US dependence on foreign oil while promoting sustained demand for US maize producers.

Rising environmental concerns worldwide about the contamination of wastewater from industrial processes have benefited enzyme markets. Pulp and paper, textile and leather, and even food and beverage markets have all gained as enzyme processes have been introduced that reduce chemical and biological oxygen demand in industrial wastewater streams.

BUSINESS OVERVIEW

The financial information used in this section, unless otherwise stated, is derived from our consolidated financial statements under Indian GAAP, as restated and included in this Draft Red Herring Prospectus. The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Red Herring Prospectus, including the information contained in the sections titled "Risk Factors" and "Auditors' Report and Financial Statements" on pages 14 and 257 respectively.

OVERVIEW

We are the largest Indian enzyme company engaged in the research & development, manufacturing and marketing of more than 400 proprietary enzyme products developed from 55 enzymes operating in two primary business verticals namely Healthcare & Nutrition and Bio-Processing. We offer these products to our global clientele of more than 700 customers spanning presence across 45 countries worldwide. We supply these value-added enzyme products to diverse end-user industries like healthcare, human nutrition, animal nutrition, food processing, baking, dairy processing, fruit processing, cereal extraction, brewing, grain processing, protein processing and flavors, biomass processing, textile and leather processing, paper and pulp processing, bio-fuels etc. We manufacture enzymes by using all the four existing natural origins namely plant, fungal, bacterial and animal sources, using environment-friendly biotechnology processes. We rank among the top 25 global enzyme companies in terms of sales, and have the second highest market share domestically, next only to the world's largest enzyme company Novozymes.

We have four manufacturing facilities located in India consisting of two integrated fermentation, recovery and formulation facilities located at Sinnar (Nashik, Maharashtra, India) and Indore (Madhya Pradesh, India), one satellite extraction and recovery facility located at Satpur (Nashik, Maharashtra, India), and one satellite blending, mixing and formulation facility located at Vashind (Shahapur, Thane, Maharashtra, India). We also have a satellite blending, mixing and formulation facility for providing customised enzyme blends and proprietary enzyme solutions at Chino (California, United States) through our step down subsidiary Cal India Foods International (doing business as Specialty Enzymes and Biotechnologies) ("SEB"), which primarily caters to the North American market. Most of our clients have audited and approved our facilities and manufacturing processes, which has helped us to establish our reputation and reliability as a supplier of quality enzyme products, and enabled us to receive repeat business as well as attract new customers.

We focus extensively on the research & development (R&D) of various enzymes, enzyme products and customized enzyme solutions, and currently have four R&D laboratories, of which three are in India, including one process development laboratory located at Sinnar (Nashik, Maharashtra, India) and two application development laboratories located at Thane (Maharashtra, India). We also have a quality assurance / control (QA/QC) and custom application R&D laboratory at our Chino facility in California, United States. Our overall R&D and QA/QC team consists of more than 60 members comprising of scientists, microbiologists, engineers, food technologists and biotechnologists. Our consistent focus on R&D is demonstrated by the fact that 6.72%, 8.05% and 6.37% of our restated standalone net sales for FY12, FY11 and FY10 respectively were invested in R&D activities. Our persistent R&D efforts have enabled us to continuously develop new and innovative enzyme products for various applications. We already have nine registered patents and have filed for another six patents. We have over 100 registered trademarks and additional 22 trademarks have been applied for registration. We also have five registered copyrights and have applied for the registration of one additional copyright.

Our key international markets include North America, South America, Europe, Japan and South-East Asia Pacific. Some of our domestic customers include Sanofi India, Nestle India, Abbott Healthcare, Cipla, Ipca Laboratories, Alkem Laboratories, Emcure Pharmaceuticals and Torrent Pharmaceuticals, and some of our international customers include Higuchi Inc., Stockmeier and BASF Personal Care & Nutrition GmbH. Both domestic and international markets are well supported by our dedicated sales & marketing team.

In order to expand our presence in the North American market, we recently acquired 100% shareholding in SEB and Advanced Supplementary Technologies Corporation ("AST Enzymes"), both based in California, United States for a total consideration of USD 31.98 million and USD 3.10 million respectively. SEB primarily operates in Healthcare & Nutrition vertical and is engaged in providing customised enzyme blends and proprietary enzyme solutions to its clients. SEB also offers QA/QC & custom application R&D facility along with product formulation from conception to finished product. AST Enzymes primarily operates in Healthcare & Nutrition vertical and is engaged in retail marketing of natural supplements which provides health benefits without the common side effects of chemical drugs. These supplements are provided in four main categories which includes cardiovascular, anti-inflammatory, joint, and digestive & colon health. The acquisition of these companies has enabled us to tap their large client base thereby enhancing our presence in the North American market and hence widening our customer base. These acquisitions have also helped us in enhancing our wide product portfolio by having access to the proprietary and customised solutions offered by SEB and AST Enzymes. Both these companies were acquired from Promoter and Promoter group and for further details regarding the same, please refer to the chapter titled "History and Certain Corporate Matters – Acquisition of Businesses / Undertakings" on page 215 of this Draft Red Herring Prospectus. We have also set-up another subsidiary in Netherlands namely Advanced Enzyme Europe B.V. to expand our presence in the European market.

Our restated consolidated revenue from operations increased from ₹ 613.78 million in FY2008 to ₹ 1,717.40 million in FY2012, representing a CAGR of 29.33%. Our consolidated restated profits after tax increased from ₹ 50.62 million to ₹ 339.85 million during the same period at a CAGR of 60.97%.

Our restated consolidated revenue from operations increased in FY2012 by 47.32% over FY2011. Our restated consolidated profits after tax increased by 104.07% in FY2012 over FY2011, mainly on account of the SEB acquisition. Our restated consolidated revenue from operations for the six months ended September 2012 is ₹ 1,120.84 million. Our consolidated restated profits after tax for the six months ended September 2012 is ₹ 278.77 million.

We have been a consistent profit making and dividend paying Company since 1997. In fiscal 2012, about 62.14% of our revenues were from international business and remaining from the domestic market. Contribution from our key business verticals over six month period ended September 30, 2012 and FY12, FY11 and FY10 are as follows:

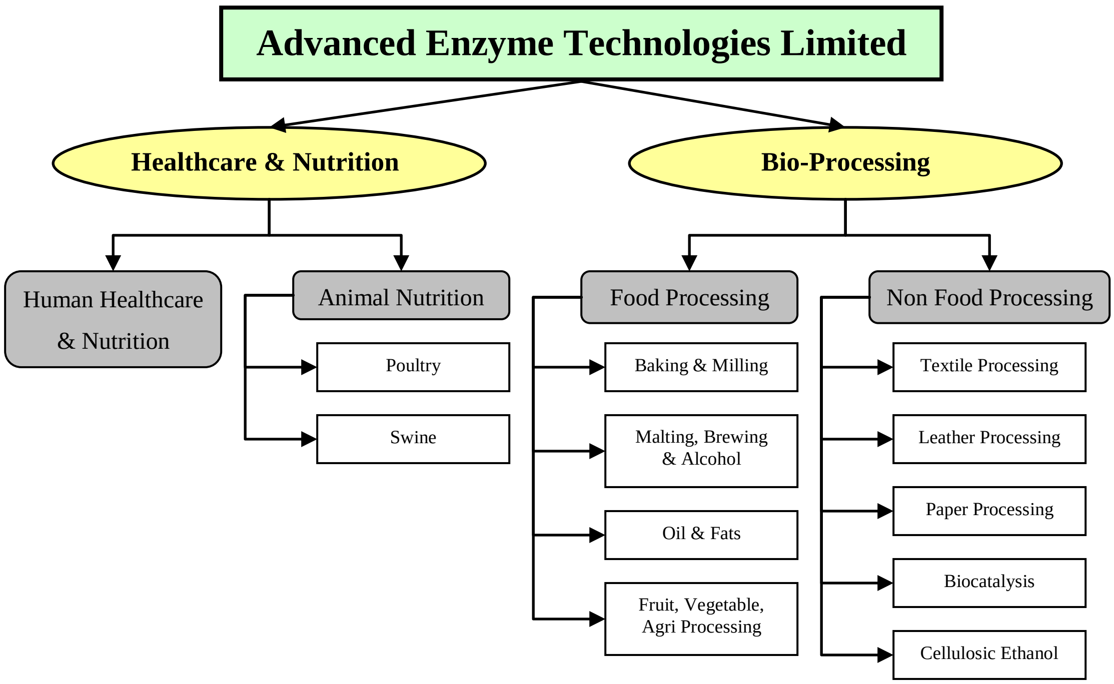
	H1 FY13		**FY12**		**FY11**		**FY10**	
Total Revenue – Business Verticals	**INR Mn**	**% of Total Revenue**	**INR Mn**	**% of Total Revenue**	**INR Mn**	**% of Total Revenue**	**INR Mn**	**% of Total Revenue**
Healthcare & Nutrition	881	79%	1,253	73%	957	82%	888	78%
Bio-Processing	240	21%	464	27%	209	18%	250	22%

Under the leadership of Mr. Chandrakant Laxminarayan Rathi and Mr. Vasant Laxminarayan Rathi having a combined experience of over six decades in the global enzyme industry, we have been able to expand our presence in existing markets and explore new market opportunities. The superior knowledge and understanding of the industry by our promoters has led us to win several awards and recognitions. We were one of the recipients of the fastest growing mid sized business award organized by Inc. India in year 2013. We were also awarded the Most Innovative Exporter Award organized by Dun & Bradstreet for 2012. We have also been the recipient of the Bio-Excellence Award instituted by the Department of Information Technology, Biotechnology and Science and Technology, Government of Karnataka in the Industrial Biotech Sector for 2010. We have also been honoured with the 'Emerging India Awards 2010' for Life science-Pharmaceuticals & Chemicals segment organized by ICICI Business Banking and CNBC TV18.

We have been recognized as a "Star Export House" by Director General of Foreign Trade. Besides, one of our patents has also got registered under "IPCT" in US Patent in 2011-12.

Key Business Verticals

The following chart enumerates the key business verticals in which we currently operate and the industries that we cater to under such verticals:



<u>Healthcare & Nutrition:</u>

- ***Human Healthcare & Nutrition:*** We provide our proprietary enzyme products and customized enzyme solutions to various pharmaceutical companies in India and globally. Some of our key customers in this business vertical include Sanofi India, Abbott Healthcare, Cipla, Ipca Laboratories, Alkem Laboratories, Emcure Pharmaceuticals and Torrent Pharmaceuticals.

- ***Animal Nutrition:*** Through our subsidiary Advanced Bio-Agro Tech Limited, we provide enzyme based nutritional supplements for animal nutrition, mainly catering to poultry and swine. Our product offering enables animals to maximize the nutrients they absorb from the feed, thus helping in reducing feed costs, minimizing animal waste production and accordingly helping to reduce environmental pollution. Some of our key customers in this business vertical are Higuchi Inc., Godrej Agrovet, Suguna Poultry Farms and Acme Laboratories.

<u>Bio-Processing:</u>

- ***Food Processing:*** We provide our proprietary enzyme based products and solutions for replacing hazardous and side effect causing chemicals / additives in food processing industries like baking & milling, malting and brewing, milk and dairy, fruit and vegetable processing, natural product extraction and starch and alcohol. Some of our key customers in this business vertical are Hindustan Unilever, Nestle India, SAB Miller, BASF Personal Care & Nutrition GmBH, Mohan Meakin, Barmalt India and Imperial Malt

- ***Non Food Processing:*** Through our wholly owned subsidiary Advanced EnzyTech Solutions Limited, we offer eco-safe solutions to replace various harsh chemical processes in variety of industries such as textiles, leather, detergent and pulp and paper. The products, we offer, reduces the effluent load and thereby helps our clients to comply with the pollution norms reducing overall process cost. Some of our key customers in this business vertical are S&D Associates and Bextex.

OUR STRENGTHS

We consider the following to be our principal competitive strengths:

Research Driven Company with Strong enzyme development and manufacturing capabilities

We are a research driven company and have invested significant resources in the research & development (R&D) of various enzymes, proprietary enzyme products and customized enzyme solutions since inception. Our consistent focus on R&D is demonstrated by the fact that 6.72%, 8.05% and 6.37% of our restated standalone net sales for FY12, FY11 and FY10 respectively were invested in R&D activities.

We presently have four R&D laboratories, of which three are in India, including one laboratory located at our Sinnar (Nashik, Maharashtra, India) manufacturing facility, two laboratories located at Thane (Maharashtra, India), and one laboratory located at the Chino facility in California, United States. The Sinnar R&D facility is a process development laboratory, approved by the Department of Scientific and Industrial Research (DSIR), focussing on enhancing the production efficiencies during the fermentation process, enhancing downstream processing capabilities and improving recovery and purification yields. One of the R&D laboratories located in Thane supports the Healthcare & Nutrition business vertical, by focussing on the development of various therapeutic enzyme formulations for use in effective and safe medications, for the Healthcare business, and the development of various innovative enzyme applications for the Nutrition business. The second R&D laboratory located in Thane supports the Bio-Processing business vertical by focussing on the development of innovative enzyme applications that lead to improvement in the product quality and process efficiency across various industries like baking, fruit processing, brewing and malting, textile, leather, paper, bio-catalysis etc. Our fourth R&D laboratory located at Chino primarily focuses on quality assurance / control, custom application R&D and providing testing services for our customers.

We are one of the largest enzyme manufacturers in South East Asia with an aggregate fermentation capacity of 360 cubic meters per annum. Our first fermentation facility, which was established at Sinnar in 1993, is ISO 9001:2008 and WHO cGMP certified with an aggregate fermentation capacity of 120 cubic meters per annum. In 2008, we started our Indore unit as a recovery and formulation facility at the Pithampur Special Economic Zone, to enhance our focus on the international export markets ("Phase-I"). The Indore plant was then expanded by adding a state-of-the-art fermentation facility with an aggregate capacity of 240 cubic meters per annum in September 2012 ("Phase-II"). The Indore facility is currently undergoing verification for ISO 22000:2005 certification. We propose to further enhance the manufacturing capacity at Indore by adding fermentation capacity to the tune of an additional 240 cubic meters per annum ("**Phase-III**"), thereby enhancing the capacity of the Indore facility to 480 cubic meters per annum, for which we propose to utilize funds from the Net Proceeds of the Fresh Issue. *For further details regarding the same, please refer to the Chapter titled "Objects of the Issue" on page 117 of this Draft Red Herring Prospectus.*

The Satpur unit is our oldest manufacturing facility functioning as a satellite extraction and recovery facility with an aggregate capacity 36 metric tons per annum. The Vashind facility is a satellite blending, mixing and formulation facility dedicated to our animal nutrition business producing over 2,000 metric tons of feed ingredients per annum, and is also equipped with a large storage area. Our step down subsidiary SEB provides customized enzyme blends and proprietary enzyme solutions for its customers in North America through a satellite blending, mixing and formulation facility at Chino, California. We have received "*Indian FDA*" certification for several of our products as well as other global standard certifications such as "*HALAL*", "*Kosher*", "*NPOP Organic*", "*GOTS*", "*GMP+*" etc.

Our large manufacturing capacity coupled with more than 60 member team of scientists, microbiologists, engineers, food technologists and biotechnologists, has enabled us to develop new enzymes, enzyme products and customized solutions across our business verticals for the domestic and international markets. Conceiving an enzyme, developing commercially viable production yields, developing value-adding novel applications and later commercializing the enzyme product successfully is one of our biggest strengths. Over the years, we have successfully developed and commercialized 55 enzymes. This can be demonstrated from the fact that as on March 31, 2006 we had an enzyme portfolio of 15 enzymes, whereas as on February 28, 2013, the number of enzymes in our portfolio is 55.

Integrated Player with presence across the Enzyme Value Chain

We are an integrated company with presence across the enzyme value chain, covering the entire range of activities from research & development, commercial-scale manufacturing, to marketing of enzyme products and customized enzyme solutions. Unlike various other players in the industry, which are present in only some parts of the value chain, our integrated presence enables us to be cost-effective vis-à-vis competition, and helps us ensure end-to-end quality control resulting in superior products. This also allows us to cater to our clients' unique requirements, and provide them customized value-added solutions, which further enhances our business profile and strengthens our client relationships.

Experienced Promoters and Strong Management Team

Our Promoters Mr. Chandrakant Rathi and Mr. Vasant Rathi together have a cumulative experience of over six decades in the global enzyme industry, which helps us in assessing market opportunities, estimating future potential of new products and applications, and positioning ourselves in the market accordingly. Their superior industry knowledge and understanding also gives us the key competitive advantage enabling us to expand our geographical and customer presence in existing as well as target markets, while exploring new growth avenues. Our Promoters are supported by a well-qualified and strong management team with several years of industry experience in their respective domains of research, quality control, sales, marketing, strategy and finance. For further details regarding our Key Managerial Personnel, please refer to the Chapter titled "Our Management – Key Managerial Personnel" on page 226 of this Draft Red Herring Prospectus.

Specialized Business with high entry barriers

Manufacturing of enzymes, enzyme based products and solutions requires specialized knowledge of the enzyme industry as well as the end-user industries in which such these products and solutions can be utilized. Presently, other than our Company, domestic players like Biocon, Lumis Biotech, Maps Enzymes and Rossari Biotech, and foreign MNCs like Novozymes A/S, DSM Nutritional Products and Danisco operate in the enzyme manufacturing space in India. Factors such as technical nature of the business, heavy reliance on research and development and dearth of qualified professionals with experience in enzyme and biotechnology industry operates as an entry barrier to new players in the market. One of the biggest challenges facing new companies looking to enter the enzyme industry is obtaining sufficient capital to sustain research and development efforts, until products can be brought to market. This is also the reason the enzyme industry has very few players, and the top players account for a significant portion of the global market share. Our Promoters have a cumulative experience of over six decades in the global enzyme industry and are well supported by qualified professionals having significant experience in the enzyme and biotechnology industry. We believe that our large manufacturing capacities, experienced promoters and track record together with our in house ability to develop new products distinguish us from other players in the market.

Strong Sales & Marketing network in India & North America with growing presence in target markets

Our global presence is spread across 45 countries worldwide with USA, India, Europe and other geographies accounting for 43%, 38%, 10% and 9% of our FY12 sales. Our global focus is visible from the fact that in FY12 nearly 62.14% of our revenues came from our international business with the domestic business accounting for the remaining 37.86%.

In particular, we have a strong sales and marketing network in our two major markets namely North America and India, with an overall team strength of more than 15 people. In addition, through our network of 4 international distributors, we also cater to European, Latin American and African markets. The North American and Indian markets account for 81% of our total revenue from operations.

In order to expand our presence in the North American market, we recently acquired 100% shareholding in SEB and Advanced Supplementary Technologies Corporation ("AST Enzymes"), both based in California, United States for a total consideration of USD 31.98 million and USD 3.10 million respectively. SEB primarily operates in Healthcare & Nutrition vertical and is engaged in providing customised enzyme blends and proprietary enzyme solutions to its clients. SEB also offers QA/QC & custom application R&D facility along with product formulation from conception to finished product. AST Enzymes primarily operates in Healthcare & Nutrition vertical and is engaged in retail marketing of natural supplements which provides health benefits without the common side effects of chemical drugs. These supplements are provided in four main categories which includes cardiovascular, anti-inflammatory, joint, and digestive & colon health. The acquisition of these companies has enabled us to tap their large client base thereby enhancing our presence in the North American market and hence widening our customer base. These acquisitions have also helped us in enhancing our wide product portfolio by having access to the proprietary and customised solutions offered by SEB and AST Enzymes.

Wide Product Portfolio and Customer Base

We are one of the few enzyme manufacturing companies in India catering to various sectors and end-user industries. We have a wide presence in Healthcare & Nutrition and the Bio-Processing verticals and cater to some of the leading and reputed Indian and global companies such as Sanofi India, Cipla, Godrej Agrovet, Nestle India, BASF Personal Care & Nutrition GmbH, etc…As a result of the recent acquisition of SEB and AST Enzymes, both based in California, United States, our customer base has substantially increased enabling us to directly cater to the various clients in North American market. With our consistent track record and wide product portfolio, we have been able to obtain repeat orders from many of our customers, and have also been able to attract new clients.

OUR STRATEGIES

Our business objective is to grow our revenues and profits through increased market presence. We intend to do so by enhancing our geographical reach to key target markets, increasing our products and customized solution offerings in established markets, and expanding into target business verticals presenting significant growth potential. This may require us to invest significant resources towards our R&D activities for product development, enhance our sales and marketing network in key target geographies, expand our manufacturing capacities, undertake domain specific strategic business alliances with key industry players as well as explore acquisition opportunities to accelerate our growth through the inorganic route. These key elements of our business strategy are described in greater detail herein:

Continue to invest significantly in research & development

We believe that we possess the necessary skills, technology, know-how, in-house R&D capabilities and intellectual property competence, to develop new enzymes, enzyme products and customized enzyme solutions, which can be manufactured and marketed in both domestic and international markets. Our R&D strategy is focussed towards developing new products to augment our product portfolio across existing business verticals of Healthcare & Nutrition and Bio-Processing, improving our process efficiencies and productivity across our manufacturing facilities, and developing high quality enzyme products and solutions in target business verticals, which are capable of offering superior efficacy and efficiency than the existing products, processes or solutions currently being used.

Our R&D and QA/QC team consists of more than 60 members comprising of scientists, microbiologists, engineers, food technologists and biotechnologists. Over the years, we have developed & marketed more than 400 proprietary enzyme products. As of February 2013, we have filed for 15 patents, through our in-house R&D team, of which we have been granted 9 patents so far. Commercialization of some of these patents in the future shall contribute to the growth of our business. *For more details on the status of our patents and Intellectual Property Rights, please refer to "Intellectual Property Rights" beginning on page 204 of this Draft Red Herring Prospectus.*

Going forward, we intend to expand our research and development capabilities, by increasing our investment in technology and setting-up state-of-the-art R&D and innovation centres. We intend to employ qualified individuals from the enzyme industry thereby augmenting our dedicated in-house R&D team. We believe that continued investments in R&D will enable us to introduce new product lines enabling us to penetrate new market segments. Towards this end, we intend to establish an R&D centre at Nashik and another R&D and Innovation centre at Thane, by utilizing certain portion of funds from the Net Proceeds of the Fresh Issue. *For further details regarding the same, please refer to the chapter "Objects of the Issue" beginning on page 117 of this Draft Red Herring Prospectus*.

Enhancing our global presence

We seek to enhance our geographical presence in the Latin American and South East Asian markets through our existing set-up in North America and India respectively. Additionally, we seek to enhance our presence in the European market, for which we have already set-up a subsidiary in Netherlands namely Advanced Enzyme Europe B.V., and have also started hiring sales and marketing personnel.

Expansion of Manufacturing Capacities and maintaining cost leadership

We intend to continue to invest in physical and operational infrastructure to meet the industry demands. We have five manufacturing facilities located in Sinnar, Satpur, Thane, Indore and California (USA). Given the increasing demand of enzyme based application in various industry segments, we propose to further increase our manufacturing capacity by expanding our existing fermentation facility at Indore. We believe that the capacity expansion will enable us to cater to the growing demand for enzyme based solutions across industry segments. We hence propose to enhance the manufacturing capacity at Indore by adding fermentation capacity to the tune of an additional 240 cubic meters per annum ("**Phase-III**"), thereby enhancing the capacity of the Indore facility to 480 cubic meters per annum and our overall capacity to 600 cubic meters per annum. *For further details, please refer to "Objects of the Issue" on page 117 of this DRHP.*

To achieve inorganic growth through strategic acquisitions and investments

We intend to explore inorganic opportunities for expanding our reach in Europe and the North American markets through potential acquisitions, as and when such opportunities arise. In pursuit of this, we continuously evaluate inorganic opportunities for expanding our international footprint, augmenting our manufacturing capacities, strengthening our research & development capabilities, and acquiring technologies which can enable us to maintain / improve our cost leadership. Our Strategy is to acquire target companies that offer strong strategic fit to our existing business, possess domain / technology expertise, have a good client base & strong management team and wide selling & marketing network. This shall enable us to augment our product / service offerings, add more customers each year, improve our service standards and customer satisfaction levels continuously, by providing our clientele with a wide choice of products and flexibility to meet their changing needs. We may look at target companies with complementary technological skills or product portfolio, along with significant customer reach across our key target geographies.

After our recent acquisitions in North America, we seek to further enhance our position globally. Through strategic acquisitions, we can get ready access to newer markets / geographies and augment our product / service offerings. Thus, in terms of our overall growth strategy, we continue looking at inorganic growth actively, and may consider consolidating our market share through acquisitions, if targets provide a strong strategic fit at a reasonable price. This will also enable us to consolidate our sourcing needs, giving us better buying power and yielding cost savings. We shall also consider entering into strategic partnerships or making investments into companies, as part of this inorganic growth strategy. We also propose to utilize some portion of the funds raised in the Issue, towards this purpose.

Expanding into target business verticals presenting significant growth potential

Currently, we cater to two primary business verticals of Healthcare & Nutrition and Bio-Processing. We intend to expand into target business verticals, which present significant growth potential and are in-line with the company’s growth strategy. We intend to do the same by developing new enzymes, enzyme products and customized solutions through our in-house R&D capabilities in target business verticals including baking, fruit & wine processing, brewing & malting, bio-catalysis etc.

OUR RESEARCH AND DEVELOPMENT FACILITIES

We have invested significantly in our in-house research & development activities and currently have four R&D laboratories of which one is located at Nashik, two in Thane and one in California (through SEB).

The Sinnar R&D facility is a process development laboratory, approved by the Department of Scientific and Industrial Research (DSIR), focussing on enhancing the production efficiencies during the fermentation process, enhancing downstream processing capabilities and improving recovery and purification yields.

One of the R&D laboratories located in Thane supports the Healthcare & Nutrition business vertical, by focussing on the development of various therapeutic enzyme formulations for use in effective and safe medications, for the Healthcare business, and the development of various innovative enzyme applications for the Nutrition business.

The second R&D laboratory located in Thane supports the Bio-Processing business vertical by focussing on the development of innovative enzyme applications that lead to improvement in the product quality and process efficiency across various industries like baking, fruit processing, brewing and malting, textile, leather, paper, bio-catalysis etc.

Our fourth R&D laboratory located at Chino primarily focuses on quality assurance / control, custom application R&D and providing testing services for our customers.

Our highly qualified team of more than 60 scientists, microbiologists, engineers, food technologists and biotechnologists are actively involved in research and development and quality assurance / control activities at above mentioned R&D facilities.

OUR MANUFACTURING FACILITIES

We have five manufacturing units, details of which are given below:

Manufacturing Units	Location	Products Manufactured	Capacity Per Annum
Unit-I at Nashik	Plot No. A-61 & A-62 in the Sinnar Industrial Area, within the village limits of Malegaon and outside the limits of Sinnar Municipal Council in rural area, Taluka and Registration Sub-district Sinnar, District and Registration District, Nashik.	Serratiopeptidase, Cellulase, Xylanase, Lipase, Fungal Amylase, Pectinase, Protease, Lipase, Beta Glucanase	120 cubic meters
Unit-II at Nashik	Land bearing Plot No. H-17 in Nashik Industrial Area, within the village limits of Satpur, District Nashik admeasuring 600 square meters	Papain, Ox Bile	36 metric tons
Unit-III at Pithampur, Indore	Plot No. B-5 to 13, Dhar, Special Economic Zone, Pithampur, Indore, Madhya Pradesh.	Xylanase, Protease, Mannanase, Lipase, Beta Glucanase	240 cubic meters
Unit-IV at Thane	Gat No. 121, Plot No. 1, 2, 3, 4, 5 and 6 being part of Village Pali, Taluka Shahapur, District Thane. Gat No. 121, New Plot No. 7, 8, 9 and 10 being part of Village Pali, Taluka Shahapur, District Thane admeasuring 2,772 square meters	Biograin Series, Aciplex Series	2000 metric tons
Unit at SEB, California	13591 Yorba Ave., Chino, CA 91710, USA	Custom Enzyme Blends, Lactase, Peptizyme, Xylanase	Not Applicable*

a) Fermentation, Recovery and Formulation facility at Sinnar, Nashik

The Sinnar manufacturing facility is our first fermentation facility, set up in 1993 with an aggregate fermentation capacity of 120 cubic meters per annum. It is an integrated fermentation, recovery and formulation facility, and is ISO 9001:2008 and WHO cGMP certified. This facility is used for manufacturing of enzymes through processing of natural origins and fermentation of fungi and bacteria. This facility has Maharashtra State Electricity Distribution Co. Ltd. power connectivity and 720 KVA DG set to ensure that the facility functions 24x7.

b) Extraction and Recovery facility at Satpur, Nashik

The Satpur manufacturing facility is our oldest facility functioning as a satellite extraction and recovery facility with an aggregate capacity of 36 metric tons per annum. The plant has 52 KVA power connectivity from the Maharashtra State Electricity Distribution Co. Ltd.

c) Formulation facility for Animal Nutrition at Vashind, Thane

This formulation facility is a satellite blending, mixing and formulation facility dedicated to our nutrition business producing over 2,000 metric tons of feed ingredients per annum. The plant has 62 KVA power connectivity from the Maharashtra State Electricity Distribution Co. Ltd. Being closer to Bhiwandi, a connectivity hub and a focal point for moving goods to different client locations, the facility is equipped with a 5,000 sq. ft. storage area, used for storing finished products.

d) Fermentation, Recovery and Formulation facility at Pithampur SEZ, Indore

In 2008, we started this unit as a recovery and formulation facility at the Pithampur Special Economic Zone, to enhance our focus on the international export markets ("Phase-I"). This unit was then expanded by adding a state-of-the-art fermentation facility with an aggregate capacity of 240 cubic meters per annum in September 2012 ("Phase-II"). This unit is currently undergoing verification for ISO 22000:2005 certification. This unit has 400 KVA power connectivity from M.P. Audyogik Kendra Vikas Nigam (Indore) Limited. Being an SEZ, this facility also has certain tax benefits. *For details, please refer to "Statement of Tax Benefits" beginning on page 137 of this Draft Red Herring Prospectus.*

e) ***Blending, mixing and formulation facility at Chino, California.***

Our step down subsidiary SEB provides customized enzyme blends and proprietary enzyme solutions to its customers through a satellite blending, mixing and formulation facility at Chino, California.

Typically in the enzyme industry, the manufacturing facilities are multipurpose in nature and can be used to manufacture different types of enzyme products. It is difficult for us to determine the licensed capacity and installed capacity for each product separately. Hence, the aggregate manufacturing capacity as on date can be referred to as 360 cubic meters per annum, and post the proposed expansion of the Indore facility, this shall expand to 600 cubic meters per annum.

OUR SALES AND MARKETING

To ensure a more focused approach to our businesses and to create an independent responsibility for each function, we reorganized our business and hived out the marketing functions of two of our industry verticals into separate subsidiaries. In August 2007, the marketing function of the Animal nutrition industry for the South Asian markets was transferred to our subsidiary Advanced Bio-Agro Tech Limited. In October 2008, the marketing activities of the non-food processing industry for the South Asian markets were transferred to Advanced EnzyTech Solutions Limited. Each of these subsidiaries now functions as an independent revenue centre. For all other enzyme products and solutions, we sell our products either directly to our customers or through distributors. For increasing our sales in USA and Europe, we have appointed two highly qualified and dedicated persons in SEB and AST respectively. As of Feb 2013, we have more than 30 distributors in India and overseas markets. In addition, we participate in several conferences like CPHAI – Main Event, Food Ingredients, Vita Foods etc. which helps us to market our products to new customers and also helps us in brand building.

We have an established presence in the domestic and North American market, and are looking to increase our global footprint in other key markets like Europe, Latin America and South-East Asia.

OUR MAJOR CUSTOMERS

Revenues from our international business form a substantial part of our sales and our key international markets include USA, Europe, South-East Asia Pacific and Latin America. In fiscal 2012, about 62.14% of our revenues were from international business and remaining was from the domestic market. We supply our products to various customers across diverse industries. On account of the well-diversified nature of our business, our top 5 customers contributed less than 20% of our total sales in FY2012.

OUR PRODUCTS

Through our in-built domain expertise in enzymes, we offer eco-friendly solutions in the two primary business verticals of Healthcare & Nutrition and Bio-Processing. Healthcare & Nutrition has two distinct divisions i.e. Human Healthcare & Nutrition and Animal Nutrition. Bio-Processing also has two distinct divisions i.e. Food Processing and Non-Food Processing.

(A) Human Healthcare & Nutrition

We serve the Human Healthcare & Nutrition industry by developing, manufacturing and marketing various enzyme products and solutions to Indian and global pharmaceutical companies, which include products catering to anti-inflammatory, cardiac care and digestive segments. Some of our enzymes / enzyme products in the Human Healthcare & Nutrition division are as follows:

Product / Enzyme Description	Type of Enzyme	Source	Application
Bacterial Alpha Amylase	Carbohydrase	Bacteria	Starch degrading Enzyme
Peptizyme SP®	Protease	Bacteria	Natural Anti-Inflammatory Enzyme used in conditions like surgery, trauma surgery, dentistry and other conditions associated with pain
Serratiopeptidase	Protease	Bacteria	Natural Anti-Inflammatory Enzyme with Major applications in Surgery, Trauma Surgery, Dentistry And Other Conditions associated with pain
Fungal Diastase	Carbohydrase	Fungi	Natural pro-digestive Enzyme, used in disturbances of Gastro-intestinal functions and prevention of mal-absorption of food
Fungal Lactase	Carbohydrase	Fungi	Unique digestive Enzyme used in the treatment of lactose intolerance
Papain	Protease	Plant	Natural protein digestant with excellent fibrinolytic properties
Pepsin	Protease	Dry Glands	Natural protein digestant used in indications like loss of appetite, diarrhea and much more
Ox Bile Extract	Salt	Bile Paste	Natural fat emulsifier & stimulant for secretion of fat digesting enzymes
Trypsin Chymotrypsin Mix	Protease	Dry Glands	Natural blend of Enzymes for acute & chronic pain / inflammation
Hemicellulase	Carbohydrase	Fungi	Digestive aid enzyme used in digestion of cellulose and hemicellulosic material including fibres
Fungal Lipase	Lipase	Fungi	Digestion of fats over a wide range of pH
Pancreatin	Protease	Dry Glands	Natural digestant for carbohydrates, proteins and fats

(B) Animal Nutrition

In the Animal Nutrition division, enzymes are primarily used along with feed ingredients. Many feed ingredients are not fully digested by livestock. By adding enzymes to the feed, the digestibility of the components can be enhanced. Enzymes are a well-proven and successful tool that allows feed producers to extend the range of raw materials used in feed, and also to improve the efficiency of existing formulations. It also leads to reduce effects of anti-nutritional factors and increases energy values in the feed.

Some of our enzyme / enzyme products in the Animal Nutrition division are as follows:

Product / Enzyme Description	Type of Enzyme	Source	Application
Alpha Amylase	Carbohydrase	Fungal	To hydrolyze starch and to enhance digestibility of the feed
Beta Glucanase	Carbohydrase	Fungal	To hydrolyze undigestible glucans and to negate their anti-nutritive effect
Mannanase	Carbohydrase	Fungal	To hydrolyze undigestible mannans and to negate their anti-nutritive effect
Alpha Galactosidase	Carbohydrase	Fungal	To hydrolyze undigestible galactans and to negate their anti-nutritive effect
Cellulase	Carbohydrase	Fungal	To hydrolyze undigestible celluloses and to negate their anti-nutritive effect
Xylanase	Carbohydrase	Fungal	To hydrolyze undigestible xylans and to negate their anti-nutritive effect
Pectinase	Carbohydrase	Fungal	To hydrolyze undigestible pectins and to negate their anti-nutritive effect
Protease	Protease	Fungal	To hydrolyze trypsin-inhibitors and to negate their anti-nutritive effect
Phytase	Carbohydrase	Yeast	To hydrolyze phytates and the release bound phosphorus & other minerals

(C) Food Processing

In Food Processing division, enzymes helps in improving production efficiency and yields, increase the consistency, stability and quality of the final product, reduce overheads for the same output or increase production at the same level of overheads. It also helps in reducing the effluents. We currently offer enzymes for the following food processing sectors:

(a) *Baking:* Traditionally, enzymes have been used to make bread from flour replacing fats, peroxides, acids etc. Enzymes are now being also offered to extend shelf life and improve softness of bread. We also provide solutions for replacing chemicals / additives used for whitening of bread and more loaf volume thereby increasing output. Enzymes give better whiteness, increase output by reducing bran which does not fetch good value as compared to the traditional breads, resulting in more profits to the miller. Nutrition value can also be enhanced by using enzymes and bran can be reduced.

(b) *Flour milling and Rice milling:* Enzyme products are also developed to aid wheat milling operations. Enzymatic milling aid helps to extract maximum amount of starch from bran thereby increasing flour yield. It also helps to recover finest flour fraction with highest yield and thus help miller to increase profits. We have developed such product for wheat milling. Flour bleaching enzymes are typically used in flour and rice milling to make the flour appear whiter and to oxidize the surfaces of the flour grains. In the said process, chemicals are used which are believed to have carcinogenic effect. We have developed and patented a novel application which will reduce the dependence on chemicals used in the said process.

(c) *Malting & Brewing:* Brewing is primarily an enzymatic process. Our solutions enable reduction in the viscosity and increase the filtration rate of wort, liquefy the adjuncts and produce more fermentable sugars.

(d) *Fruit & Vegetable Processing:* Enzymes are widely used in fruit juice manufacturing. Addition of enzymes helps improve the liberation of the juice from the pulp. Our solutions help increase the yield, clarification of juices and hence improve quality of the juice manufactured and its stability.

(e) *Starch processing:* Various products are manufactured using grains like wheat, corn, malt, barley, etc., which are rich source of starch. Enzymes are ideal biocatalysts to process starch giving desired products under eco-friendly conditions. Our products enable a plant to use high DS process which helps to increase higher plant output with improved yields.

(f) *Oil and Herbal extraction:* We offer enzymes that replace chemicals / additives used for oil extraction resulting in more output, improving yield by approximately 30% to 40%.

Some of our enzyme / enzyme products in the Food Processing segment are as follows:

Product / Enzyme Description	Type of Enzyme	Source	Application
Pectinase	Carbohydrase	Fungal	To hydrolyze pectins in fruit juice processing, grain processing and all other natural materials processing
Cellulase	Carbohydrase	Fungal	To hydrolyze cellulose in fruit juice processing, grain processing and all other natural materials processing
Xylanase	Carbohydrase	Fungal	To hydrolyze xylans in fruit juice processing, grain processing and all other natural materials processing
Mannanase	Carbohydrase	Fungal	To hydrolyze mannans in fruit juice processing, grain processing and all other natural materials processing
Beta Glucanase	Carbohydrase	Fungal	To hydrolyze glucans in fruit juice processing, grain processing and all other natural materials processing
Alpha Galactosidase	Carbohydrase	Fungal	To hydrolyze galactans in fruit juice processing, grain processing and all other natural materials processing

(D) Non Food Processing

The use of enzymes for non food processing applications has been growing steadily worldwide. We offer the following solutions for Non Food Processing segment:

(a) *Textile Processing:* We offer solutions from pre-treatment to finishing in garment and fabric finishing by substituting the basic and specialty chemicals. These enzymes act as substitutes in fabric processing for de-sizing, scouring, degumming, bio-polishing, print wash and bleach clean-up.

(b) *Leather Processing:* We offer eco-friendly solutions for the leather processing industry. Our products includes acid bate which removes cementing matter from collagen, bio-conditioner, bio-enhancer (for natural fat removal), unhairing, bio-enhancer and bio-degreaser. For leather processing, we have also developed a patent which enables lime and caustic free leather processing. The use of enzymes in leather processing results in a more environmentally friendly process and improves the quality of the leather (cleaner and stronger surface, softer leather, less spots).

(c) *Paper Processing:* We have carried intensive studies during the last few years to use enzymes for pulp and paper industry. Our eco-friendly solutions replace chemicals/additives used for whitening/brightness of paper and its luster and help in controlling pollution by reducing chemicals used in handling water/wastage.

Some of our enzyme / enzyme products in the Non Food Processing segment are as follows:

Product / Enzyme Description	Type of Enzyme	Source	Application
Cellulase	Carbohydrase	Fungal	To hydrolyze cellulotic matter and to aid bio-polishing applications in Textile Processing
Xylanase	Carbohydrase	Fungal	To hydrolyze xylans in paper bleaching applications in Paper & Pulp Processing
Protease	Protease	Bacterial	To hydrolyze tough-to-digest proteins in bio-washing of garments and in soaking, dehairing & bating of leather products

MANUFACTURING PROCESS

Enzyme manufacture encompasses different processes including filtration, fermentation, microfiltration, etc. The raw materials and processes may, however, vary depending upon the end-use and type of product being manufactured. We manufacture enzymes through liquid culture and solid culture manufacturing processes.

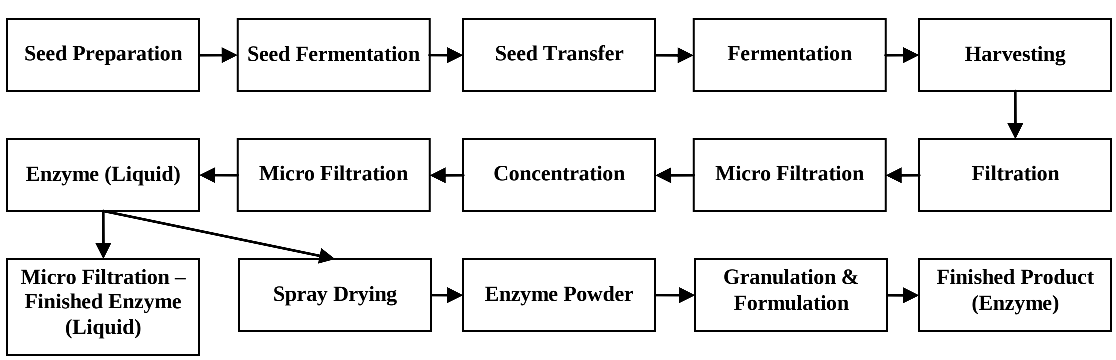
Liquid Culture Enzyme Manufacturing Process

Liquid culture enzyme manufacturing process through fermentation is also known as submerged culture fermentation. In this type of fermentation, the media which is used to grow the microbes is in liquid form and the fermentation is carried out in huge bio-reactor vessels.

Process Flow

The following chart provides the schematic representation for manufacturing of enzymes through liquid culture route:

Process Flow Chart for Liquid Culture Enzyme Manufacturing



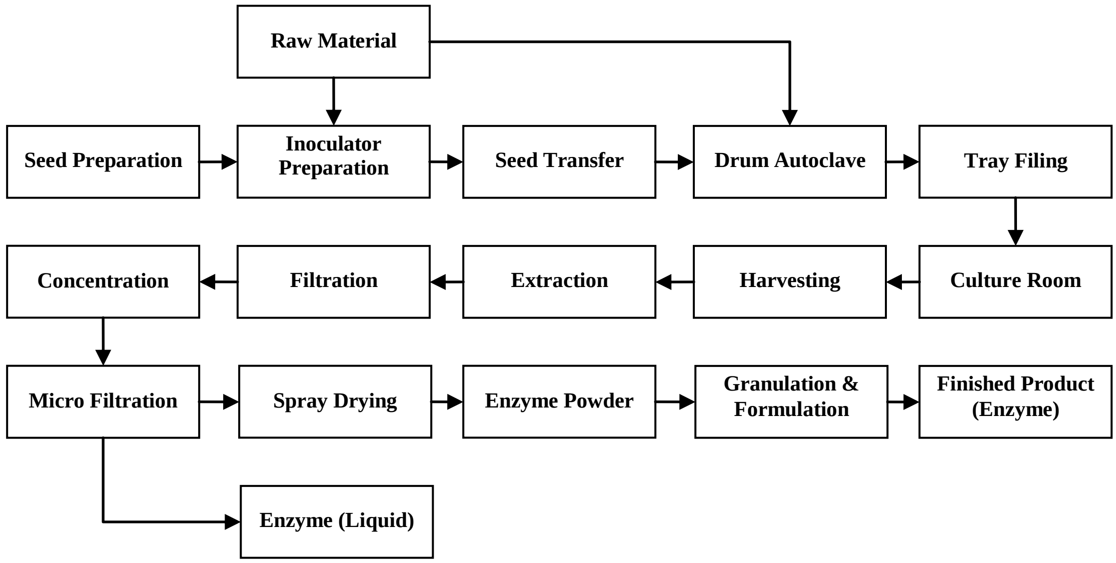
The brief description of the each of the processes in liquid culture enzyme manufacturing process is given below:

- *Seed Preparation:* The desired organism is grown in lab under sterile conditions to maintain purity
- *Seed Fermentation:* The organism obtained from the lab is further grown by providing the nutrients, along with temperature and aeration to increase its biomass
- *Seed Transfer:* The pure culture obtained from seed fermenter is inoculated aseptically in to fermenter
- *Fermentation:* By providing adequate nutrients and growth conditions, the process is carried out to give maximum enzyme activity
- *Harvesting:* After obtaining the desired activity, the fermentation process is terminated and the downstream process is initiated
- *Filtration:* It is the process to separate the solid mass from the liquid which contains the enzyme
- *Concentration:* In the concentration process, the volume of the liquid is reduced by ultra filtration to get concentrated enzyme activity
- *Micro Filtration:* The bio burden in the final liquid is reduced by the process of microfiltration. Post the micro filtration, the final enzyme product is available in liquid form
- *Enzyme (Liquid):* Final product as enzymes in liquid form
- *Spray Drying:* The final solution is converted into powder form to get concentrate enzyme powder
- *Enzyme (Powder):* Final product as concentrated enzymes in powder form
- *Granulation and Formulation:* The enzymes in powder form can be further processed to form final enzyme products and solutions as per customer specifications

Solid Culture Enzyme Manufacturing Process

Solid culture enzyme manufacturing process through fermentation is also known as surface culture fermentation. In this type of fermentation, the media which is used to grow the microbes is in solid form (e.g. wheat bran) and the fermentation is carried out in large culture rooms where the temperature and humidity conditions are maintained as per requirement.

Process Flow Chart for Solid Culture Enzyme Manufacturing



The brief description of the each process in solid culture manufacturing process of enzymes is given below:

The brief description of the each of the processes in the solid culture enzyme manufacturing process is given below:

- *Seed Preparation:* The desired organism is grown in lab under sterile conditions to maintain purity
- *Raw Material:* Raw material is dispensed as per the requirement
- *Inoculator Preparation:* Steps include cleaning, media, preparation, etc., to prepare for the step of seed transfer
- *Seed Transfer:* The desired organism obtained from preparation is mixed with the nutrients
- *Drum Autoclave:* The nutrients are pasteurised & then mixed with the seed to obtain a homogeneous blend
- *Tray Filing:* The blend obtained is filled in sterile trays which act as fermentation bed
- *Culture Room:* The trays filled are incubated under controlled conditions of temperature & humidity to obtain maximum enzyme activity
- *Harvesting:* After obtaining the desired activity, the fermentation process is terminated and the downstream process is initiated
- *Extraction:* The enzyme produced is removed from the solid media by leaching it with water
- *Filtration:* It is the process to separate the solid mass from the liquid which contains the enzyme
- *Concentration:* In the concentration process, the volume of the liquid is reduced by ultra filtration to get concentrated enzyme activity

- *Micro Filtration:* The bio burden in the final liquid is reduced by the process of microfiltration. Post the micro filtration, the final enzyme product is available in liquid form

- *Spray Drying:* The final solution is converted into powder form to get concentrate enzyme powder

- *Enzyme (Liquid):* Final product as enzymes in liquid form

- *Enzyme (Powder):* Final product as concentrated enzymes in powder form

- *Granulation and Formulation:* The enzymes in powder form can be further processed to form final enzyme products and solutions as per customer specifications

INFRASTRUCTURE FACILITIES

Raw materials essential to our business are procured in the ordinary course of business from numerous suppliers. We carefully assess the reliability of all materials purchased to ensure that they comply with the rigorous quality and safety standards required for our products. In an effort to manage risks associated with raw materials supply, we work closely with our suppliers to help ensure availability and continuity of supply while maintaining quality and reliability. Our raw material sourcing is not dependant on a single source of supply and we have access to alternate sources for our procurement of raw materials. We purchase our raw materials from both domestic and international suppliers. Majority of our raw materials are procured from 30 major suppliers.

All manufacturing facilities have requisite power and water connectivity through respective state electricity boards and local municipal bodies. We have also installed DG Sets for necessary backup for power supply.

INSURANCE

We have obtained the following insurance policies for our business:

- Standard Fire and Special Perils Policy
- Fire Declaration Policy
- Marine Cargo Open Policy
- Money Insurance Policy
- Fire Policy
- Employee Compensation Policy
- Group Insurance Policy
- Vehicle Insurance Policy

ENVIRONMENT, HEALTH AND SAFETY

We are required to comply with various rules and regulations relating to the environment. We believe that we comply in all material respects with all environmental regulations that are applicable to us. In particular, we have to seek consents from the various State Government and Government agencies necessary to carry on our business.

We believe that many accidents and occupational health hazards can be prevented through systematic analysis and control of risks and by providing appropriate training to employees and subcontractors. We encourage our employees to work proactively towards eliminating or minimizing the impact of hazards to people and the environment. We believe our adoption of company-wide occupational health and safety procedures is an integral part of our operations. *For details on material environment laws applicable to us, please refer to "Key Industry Regulations and Policies" beginning on page 210 of this Draft Red Herring Prospectus.*

COMPETITION

We compete with different companies in various markets for each product categories.

Domestic market

In the domestic market, we believe we are one of the few enzymes manufacturing companies having in-house R&D facilities, offering diverse enzyme solutions across Human Healthcare & Nutrition, Animal Nutrition, Food Processing & Non Food Processing segments. Being a R&D intensive business, there are very few enzyme manufacturers in India. There are also several trading companies which procure concentrated enzymes, reformulate them and sell them into the domestic market. In the domestic market, we compete with Indian companies such as Biocon, Lumis Biotech, Maps Enzymes and Rossari Biotech, and with foreign MNCs like Novozymes A/S, DSM Nutritional Products and Danisco.

Overseas markets

In the overseas markets like US, Europe and China, we compete with established companies who offer enzyme products and solutions like Danisco (Denmark), Novozymes (Denmark), DSM Nutritional Products (Switzerland), AB Enzymes (UK), Dyadic International (USA) and Amano Enzymes (Japan).

STRATEGIC, FINANCIAL PARTNERS AND COLLABORATORS

At present, we do not have any strategic and financial partnership with any other entity. We have not entered into technical collaboration with any entity.

INTELLECTUAL PROPERTY RIGHTS

Trademarks, Copyrights and Patents are essential to our business to strengthen our competitive position. We also enter into trade secret agreements, confidentiality agreements with our employees, third parties etc. to protect our technology, processes and products. Please find below details of trademarks, copyrights and patents registered by the Company.

Patents

We have already obtained nine registered patents and six patent applications are pending.

Trademarks

We have over 100 registered trademarks and have applied for additional 22 trademarks for registration.

Copyrights

We have five registered copyrights and have applied for one additional copyright for registration.

Employees

Due to the specialized nature of our business, our success to a large extent depends on our ability to recruit, train and retain high quality professionals. As of March 15, 2013, we have more than 300 employees.

Our R&D and Quality Assurance / Control team consist of more than 60 members comprising of scientists, microbiologists, engineers, food technologists and biotechnologists. Our highly motivated and dedicated sales & marketing team has more than 15 people which are well supported by our production team comprising of more than 50 people having immense experience and are well trained. In addition to above, we have highly qualified finance team of more than 10 people and employees focusing on administration and other activities.

We encourage our employees to hone their skills through a 21 days mandatory internal training program which includes a 7 days technical training, 7 days soft skill training and a 7 days holistic training. We believe these efforts will enable us to build talented human resource capital in our Company.

IMMOVABLE PROPERTY

The Company occupies the following immovable properties: -

Sr. No.	Property description	Activity carried on by the Company	Title of the Company	Vendor/ Lessor/ Licensor	Monthly rent/ Consideration (₹)	Lease/ License period
1.	Premises at Offices Nos. 501 to 506 on the "*Sun – Magnetica*", A-wing, 5th Floor, Near LIC Service Road, Naupada, Thane – 400 604 admeasuring 4,655 square feet built-up area	Registered Office	Ownership	Messrs Karnavat and Associates	1,62,92,500/-	--
2.	Premises at Part (I), First Floor in Building B (1) in Dhanlaxmi Service Industrial Estate situated at Gokul Nagar, Old Agra Road, Thane (West) admeasuring about 1,197 square feet built-up area	Research and Development centre	Ownership	Mr.Chandrakant Laxminarayan Rathi	26,69,310/-	--
3.	(i) Premises at Unit No. 105 and extension "C", 1st Floor in B Building B (1) in Dhanlaxmi Service Industrial Estate situated at Gokul Nagar, Old Agra Road, Thane (West) admeasuring about 627 square	Research and Development centre	Ownership	Mr.Vasant Laxminarayan Rathi	31,55,450/-	--

	feet built-up area; and (ii) Part (II), First Floor in Building (1) in Dhanlaxmi Service Industrial Estate situated at Gokul Nagar, Old Agra Road, Thane (West) admeasuring about 788 square feet built-up area					
4.	(i) Premises at Unit No. 106 and extension "D", 1st Floor in B Building B (1) in Dhanlaxmi Service Industrial Estate situated at Gokul Nagar, Old Agra Road, Thane (West) admeasuring about 627 square feet built-up area; and (ii) Part (III) First Floor in Building (1) in Dhanlaxmi Service Industrial Estate situated at Gokul Nagar, Old Agra Road, Thane (West) admeasuring about 830 square feet built-up area	Research and Development centre	Ownership	Mrs. Prabha Rathi	32,49,110/-	--
5.	Premises bearing Flat No. 302, 3rd Floor, Building No. 4 (A1), Garden Enclave, Near VasantVihar, Pokhran Road No. 2, Thane (West), Mumbai – 400 601 admeasuring 712 square feet carpet	Residence of the employees of the Company	Ownership	Mr.Nirmal Bharadia	18,51,000/-	--

	area					
6.	Land bearing Plot No. A-61 in the Sinnar Industrial Area, within the village limits of Malegaon and outside the limits of Sinnar Municipal Council in rural area, Taluka and Registration Sub-district Sinnar, District and Registration District, Nashik admeasuring 17,373 square meters	Manufacturing unit	Leasehold	MIDC	**Premium paid –** 10,69,900/- **Monthly rent payable –** 1/-	95 years from 1st March, 1993
7.	Land bearing Plot No. A - 62 in the Sinnar Industrial Area, within the village limits of Malegaon and outside the limits of Sinnar Municipal Council in rural area, Taluka and Registration Sub-district Sinnar, District and Registration District, Nashik admeasuring 12,000 square meters	Manufacturing unit	Leasehold	MIDC	**Premium paid –** 24,00,000/- **Monthly rent payable –** 1/-	95 years from 1st October, 2001
8.	Gat No. 121, Plot No. 1,2,3,4,5 and 6 being part of Village Pali, TalukaShahpur, District Thane admeasuring 5,603 square meters	Manufacturing unit	Ownership	Ramkrishna Iron Works Private Limited	12,00,000/-	--
9.	Gat No. 121, New Plot No. 7,8,9 and 10 being part of Village Pali,	Manufacturing unit	Ownership	Anita Auto Industries Private Limited	6,25,000/-	--

	TalukaShahapur, District Thane admeasuring 2,772 square meters					
10.	Premises on the 1st Floor, Heni Chemical Industries, Plot No. A-161, Main Road, Wagle Industrial Estate, Thane – 400 604**	Research and Development centre	Licensee	Messrs Heni Chemical Industries	**Monthly license fees: -** 1,10,000/- **Security Deposit –** 16,00,000/- **Security Deposit for electricity**: - Calculated as an average of the bills for 3 months paid by Company	33 months from 1st August, 2010 to 30th April, 2013 with a lock-in period of 11 months
11.	Land bearing Plot No. H-17 in Nasik Industrial Area, within the village limits of Satpur, District Nasik admeasuring 600 square meters**	Manufacturing unit	Licensee	MIDC		
12.	Building comprising of Ground Floor, First Floor and Second Floor with open terrace situated at A-135, Road No. 23, Wagle Industrial Estate, Thane (West) admeasuring 7,300 square feet	Research and Development centre	Licensee	Rajasthan Mineral and Marble Private Limited	**Monthly license fees –** First 30 months – 1,25,000/- Remaining 30 months – 1,31,250/-	60 months from 1st May, 2012
13.	Plot No. B-5 to 13, Dhar, Special Economic Zone, Pithampur, Indore, Madhya Pradesh	Manufacturing unit	Leasehold	Madhya Pradesh Audyogik Kendra Vikas Nigam (Indore) Limited	**Advance rent paid – ₹** 3,84,000/- **Premium – ₹** 1,53,60,000/- **Security Deposit – ₹**	30 years from 14th December, 2005

					3,84,000/- **Annual Development Charges – ₹** 3,84,000/- **Annual Ground rent: -** ₹ 3,84,000/- **Industrial Area and annual street light charges** – ₹ 76,800/-	
14.	Premises bearing No. D -106, 1st Floor, "D" Block, Soudhamini Residential Complex, Soudhamini Estate, Next to Art of Living Ashram, 21st KM, Kanakapura Road, Udayapura, Bangalore – 560 082**	Proposed residence of the Directors of the Company or employees	Ownership	Sri Sumeru Realty Private Limited	26,61,884/-	--
15.	Office premises bearing No. 1003, GD-ITL Towers, Netaji Subhash Chandra Bose Road, PitamPura, Delhi – 110 034	Office	Licensee	Anmol Polymer Private Limited	**Security Deposit** – 3,00,000/- **License fees** – 50,000/-	33 months from February 1, 2013 to 30th November , 2015

*****_Promoters were interested in the transactions by which these properties were acquired by the Company._

** _Documents with respect to these properties have not been duly registered._

Save and except as specified in the Risk Factors on page no 14 of this DRHP and the mortgages created in favour of our lenders, the aforesaid lands are free from encumbrances and that we do not require any approvals pertaining to the land on which our manufacturing facilities are located.

KEY INDUSTRY REGULATIONS AND POLICIES

The regulations and policies set out below are not exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional advice. The following description is a summary of the relevant regulations and policies as prescribed by the Government of India that are applicable to our Company. The information detailed in this chapter has been obtained from the websites of the relevant regulators and publications available in the public domain. The statements below are based on the provisions of Indian law in force, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Shops and Establishment Act

Under various State laws dealing with shops and establishments, any shop or commercial establishment has to obtain a certificate of registration from the supervising inspector and also has to comply with certain rules laid down in the act governing that particular State. These rules and regulations regulate the opening and closing hours of shops and commercial establishments, daily and weekly work hours, closing dates and holidays, health and safety of persons working in shops and commercial establishments, payment of wages and maintenance of records and registers by the employers, among others.

The Factories Act, 1948

The Factories Act regulates occupational safety, health and welfare of workers of the industries, in which 10 or more workers are employed on any day of the preceding 12 months and are engaged in the manufacturing process being carried out with the aid of power. The ambit of the Factories Act includes provisions as to the approval of factory building plans before construction or extension, investigation of complaints, maintenance of registers and the submission of yearly and half-yearly returns.

The Payment of Wages Act, 1936

The Payment of Wages Act applies to persons employed in factories and industrial or other establishments where the monthly wages payable are less than ₹ 10,000. It requires the persons responsible for payment of wages to maintain certain registers and display of the abstracts of the rules made thereunder.

The Minimum Wages Act, 1948

The Minimum Wages Act provides for minimum wages in certain employments. The central and the state governments stipulate the scheduled employment and fix minimum wages, calculated based on the basic requirement of food, clothing, housing required by an average Indian adult.

The Payment of Bonus Act, 1965

The Payment of Bonus Act provides for payment of the minimum bonus to factory employees and every other establishment in which 20 or more persons are employed during an accounting year and requires the maintenance of certain books and registers and filing of monthly returns showing computation of allocable surplus, the set on and set off of allocable surplus and details of bonus due to the employees.

The Workmen's Compensation Act, 1923

The Workmen's Compensation Act requires an employer to pay compensation for personal injury, or death caused due such personal injury, to a workman by accident during employment, except in certain cases for instance where such workman was at the time of injury under the influence of drugs or alcohol, or wilfully disobeyed safety rules. On December 1, 2009, the Indian Parliament passed the Workmen‘s Compensation Amendment Bill, 2009, which broadens the scope of the Workmen‘s Compensation Act to include clerical staff, raising the monetary compensation payable in the event of death or permanent disability, and introducing reimbursement for treatment of injuries sustained in course of employment. The restriction of the application of this law to companies with at least 20 employees has been done away with, and it would now be obligatory for compensation commissioners to decide on a claim within three months of an application being filed. Upon notification, the statute would be known as the Employee Compensation Act, 2010.

The Employees State Insurance Act, 1948

The ESI Act applies to all establishments where 20 or more persons are employed are required to be registered with the Employees State Insurance Corporation. The ESI Act requires all employees of the factories and establishments to which it applies to be insured in the manner provided. Further, both employers and employees are required to make contribution to the ESI fund, of which returns are required to be filed with the ESI department.

The Contract Labour (Regulation and Abolition) Act, 1970 (the "CLRA")

The CRLA regulates the employment, and protects the interests, of workers hired on the basis of individual contracts in certain establishments. In the event any activity is outsourced, and is carried out by Labourers hired on contractual basis, compliance with the CLRA including registration will be necessary and the principal employer will be held liable in the event of default by the contractor to make requisite payments towards provident fund.

Indian Environmental Regulation

The three major statutes in India, which seek to regulate and protect the environment against pollution related activities in India are the Water Act, the Air Act, and the Environment Protection Act, 1986 ("**the EPA Act**"). The basic purpose of these statutes is to control, abate and prevent pollution. In order to achieve these objectives, the pollution control boards (the ―PCBs‖) which are vested with diverse powers to deal with water and air pollution, have been set up in each state. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking investigations to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure and investigation if the authorities are aware of or suspect pollution. All industries and factories are required to obtain consent orders from the PCBs, which are indicative of the fact that the factory or industry in question is functioning in compliance with the pollution control norms laid down. These are required to be renewed annually.

The issue of management, storage, and disposal of hazardous waste is regulated by the Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 ("**the HWM Rules**") made under the EPA Act. Under the HWM Rules, the PCBs are empowered to grant authorization for collection, treatment, storage and disposal of hazardous waste, either to the occupier or the operator of the facility. A similar regulatory framework is also established with respect to bio-medical waste under the Bio-Medical Waste (Management and Handling) Rules, 1998. In addition, the Ministry of Environment and Forests, GoI ("**the MoEF**") looks into environment impact assessment ("**EIA**"). The MoEF receives proposals for expansion, modernization and setting up of projects, and the impact such projects would have on the environment is assessed by the MoEF before granting clearances for the proposed projects. Furthermore, the Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989 ("**the Hazardous Chemicals Rules**") stipulate that an occupier in control of an industrial activity has to provide evidence for having identified the major accidental hazards and taking adequate steps to prevent major accidents and to limit their consequences to persons and the environment. The persons working on site have to be provided with information, training and equipments including antidotes necessary to ensure their safety.

The Public Liability Insurance Act, 1991 ("**the Public Liability Act**") imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the Government by way of a notification. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandate that the employer has to contribute towards the environment relief fund, a sum equal to the premium paid on the insurance policies. The amount is payable to the insurer.

Standard of Weights and Measures Act, 1976 (the "Weights and Measures Act")

The Weights and Measures Act aims at introducing standards in relation to weights and measures used in trade and commerce, to provide better protection to consumers by ensuring accuracy in weights and measures and to regulate trade or commerce where goods are sold or distributed by weights, measures or numbers. Use of nonstandard weights and measures is a criminal offence under the Weights and Measures Act. Although the Weights and Measures Act is a central legislation, it is enforced by the state governments under the Standard of Weights and Measures (Enforcement) Act, 1985 ("Weights and Measures Enforcement Act"). The Rajya Sabha has recently passed the Legal Metrology Bill, 2008 which seeks to repeal the Weights and Measures Act 91and the Weights and Measures Enforcement Act, to introduce a single comprehensive statute which would be enforced centrally, with delegation of certain powers and responsibilities to state governments for inter-state trade and commerce.

Employees' Provident Funds and Miscellaneous Provisions Act, 1952

Employees Provident Funds and Miscellaneous Provisions Act, 1952 ("EPFA") was introduced with the object to institute compulsory provident fund for the benefit of employees in factories and other establishments. The EPFA provides for the institution of provident funds and pension funds for employees in establishments where more than 20 persons are employed and factories specified in Schedule I of the EPFA. Under the EPFA, the Central Government has framed the "Employees Provident Fund Scheme", "Employees Deposit-linked Insurance Scheme" and the "Employees Family Pension Scheme". Liability is imposed on the employer and the employee to contribute to the funds mentioned above, in the manner specified in the statute. There is also a requirement to maintain prescribed records and registers and filing of forms with the concerned authorities. The EPFA also prescribes penalties for avoiding payments required to be made under the abovementioned schemes.

Payment of Gratuity Act, 1972

The Payment of Gratuity Act, 1961 ("**the POG Act**") provides for payment of gratuity to employees employed in factories, shops and establishments who have put in a continuous service of 5 years, in the event of their superannuation, retirement, resignation, death or disablement. The rule of '5 years continuous service' is however relaxed in case of death or disablement of an employee. Gratuity is calculated at the rate of 15 days wages for every completed year of service with the employer. Under the POG Act, an employer is obliged for a maximum gratuity payout of ₹ 10,00,000/- for an employee. The POG Act also requires the employer to obtain and maintain an insurance policy for the employer's obligation towards payment of gratuity.

Intellectual Property Rights

Intellectual Property in India enjoys protection under both common law and statute. Under statute, India provides for the protection of patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 and trademark protection under the Trade Marks Act, 1999. The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement. In addition to the above domestic legislations India is a party to several international treatise related to intellectual property including the Patent Co-operation Treaty, 1970, the Paris Convention for the Protection of Industrial Property, 1883, the International Convention for the Protection of Literary and Artistic Works signed at Berne in 1886 (the Universal Copyright Convention of 1952), the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations 1961 and as a member of the World Trade Organisation is a signatory to the Agreement on Trade Related aspects of Intellectual Property Rights, 1995 (the TRIPS Agreement).

Drugs and Cosmetics Act, 1940

Drugs and Cosmetics Act is an act to regulate the import, manufacture, distribution and sale of drugs and cosmetics in India. Every person/entity dealing with "*drugs*" and "*cosmetics*" shall be required to be licensed under the Drugs and Cosmetics Act, 1940.

Biodiversity Act, 2002

The Biodiversity Act, 2002 is an act to preserve the biological resources in India. Under the Biodiversity Act, no person resident outside India or any company having foreign participation in the shareholding or management can utilize any of the biological resources (as defined under the BDA) for any commercial utilization without the consent/approval of the National Biodiversity Authority.

Regulations Regarding Foreign Investment

Foreign investment in India is governed primarily by the provisions of the FEMA, and the rules, regulations and notifications thereunder, as issued by the Reserve Bank of India from time to time, and the policy prescribed by the Department of Industrial Policy and Promotion, which provides for whether or not approval of the FIPB is required for activities to be carried out by foreigners in India. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("**FEMA Regulations**") to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. As laid down by the FEMA Regulations, no prior consents and approvals is required from the RBI, for foreign direct investment ("**FDI**") under the automatic route within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI.

Tax Related Legislations

Value Added Tax, 2005

Value Added Tax (**"VAT"**) is charged on sale of goods in the States under the law enacted by each State in respect thereof. VAT is however, not chargeable on the value of services which do not involve a transfer of goods. VAT is a multi-point levy on each of the entities in the supply chain with the facility of setoff of input tax that is the tax paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. Only the value addition in the hands of each of the entities is subject to tax.

Income Tax Act, 1961

The Income Tax Act, 1961 (**"IT Act"**) is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of this Act or Rules made there under depending upon its "Residential Status" and "Type of Income" involved. Every company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like. Every such company is also required to file its returns by 31st October of each assessment year.

Service Tax

Service tax is charged on 'taxable services' as defined in Chapter V of Finance Act, 1994, which requires a service provider of taxable services to collect service tax from the recipient of such services and pay such tax to the Government. According to Rule 6 of the Service Tax Rules, every assesse is required to pay Service tax in TR 6 challan by the 5^{th} of the month immediately following the month to which it relates. Further, under Rule 7 (1) of Service Tax Rules, the company is required to file a half yearly return in Form ST 3 by the 25^{th} of the month immediately following the half year to which the return relates.

Customs Act, 1962

The provisions of the Customs Act, 1962 and Rules made there under are applicable at the time of import of goods into India from a place outside India or at the time of export of goods out of India to a place outside India. Any Company requiring to import or export any goods is required to get itself registered and obtain an Importer Exporter Code (IEC) number.

Importer Exporter Code

Under the Indian Foreign Trade Policy, 2004, no export or import can be made by a person or company without an Importer Exporter Code number unless such person/company is specifically exempted. An application for an Importer Exporter Code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce. An Importer Exporter Code number allotted to an applicant is valid for all its branches/ divisions/ units/factories.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated on 15th March, 1989 under the provisions of the Companies Act, 1956 as Advanced Biochemicals Private Limited in Maharashtra. Pursuant to a special resolution passed by the shareholders of our Company at the extra-ordinary general meeting held on 21st April, 1992, our Company was converted into a public limited company and consequently the name of our Company was changed to Advanced Biochemicals Limited. A fresh certificate of incorporation reflecting the new name was issued by the Registrar of Companies, Maharashtra on 28th May, 1992. Pursuant to a special resolution passed by the shareholders of our Company at the extra-ordinary general meeting held on 8th August, 2005, the name of our Company was further changed from Advanced Biochemicals Limited to Advanced Enzyme Technologies Limited. A fresh certificate of incorporation reflecting the new name was issued by the Registrar of Companies, Maharashtra on 19th August, 2005.

Incorporated in the year 1989, our Company was promoted by Mr. Vasant Laxminarayan Rathi and Mr. Chandrakant Laxminarayan Rathi, having a combined experience of over six decades in the global enzyme industry. We started primarily as a pharmaceutical company and have over the years diversified into different human nutrition, animal nutrition segment, etc. We commenced our first fermentation facility in the year 1991 with production of around 7 (seven) enzymes and our first application research facility in the year 1996. Most of our clients have audited and approved our facilities and manufacturing processes, which has helped us to establish our reputation and reliability as a supplier of quality enzyme products, and enabled us to receive repeat business as well as attract new customers. Our Company presently operates in two key verticals namely Healthcare & Nutrition and Bio Processing.

Members

Our Company has 495 members / shareholders as on the date of filing this DRHP

Changes in the Registered Office

Date	Details of registered office	Reason for change
At Incorporation	106, Dhanlaxmi Industrial Estate, LBS Marg, Thane (West), Maharashtra	-
3rd October, 2006	Sun Magnetica, 5th Floor, Near LIC Service Road, Louis Wadi, Thane, Maharashtra	Administrative convenience

Major events in the History of our Company:

Year	Milestone
1989	Incorporation as Advanced Biochemicals Private Limited
1991	Commencement of our first fermentation facility at Sinnar, Maharashtra
1992	Conversion from private company into a public company and renamed as Advanced Biochemicals Limited
1996	Commencement of our first application research facility at Thane, Maharashtra
2001	Recognition of in-house R&D centers of the Company at Thane and Sinnar by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India
2005	Change of name of the Company from Advanced Biochemicals Limited to Advanced Enzyme Technologies Limited
2008	The Company won the British Biological Honours for Outstanding Vendor
2010	The Company won the “Emerging India Awards” for 2010 in the Life Science -

	Pharmaceuticals & Chemicals segment organized by ICICI Business Banking and CNBC TV18
2010	The Company won the Bio Excellence Award in the Industrial Biotech category for 2010 instituted by Department of Information Technology, Biotechnology and Science and Technology, Government of Karnataka
2011	Takeover of Cal India Foods International (Specialty Enzymes and Biotechnologies) by our Company giving us direct presence in USA
2012	Kotak India Venture Fund I, Kotak Employees Investment Trust and Kotak India Venture (Offshore) Fund made a private equity investment in the Company
2012	Takeover of Advanced Supplementary Technologies Corporation by our Company for consolidating our presence in USA
2012	Our Company was awarded as the 1st runner-up for the Most Innovative Exporter – Dun & Bradstreet for the year 2012
2013	Our Company was one of the Recipients of the fastest growing mid sized business award organized by Inc. India

For details on technology, market, technology competence and capacity built up, please refer to section titled "*Business Overview*" on page 187 of this DRHP.

Changes in the Memorandum of Association of our Company

Since Incorporation, the following changes have been incorporated in Memorandum of Association of our Company, after approval of the members:

Sr. No.	Particulars of changes in the Memorandum of Association of the Company	Date of Shareholder's meeting	AGM/ EGM
1.	Increase in authorized share capital from ₹ 2,00,000 divided into 2,000 Equity Shares of ₹ 100/- each to ₹ 25,00,000/- divided into 25,000 Equity Shares of ₹ 100/- each	15th July, 1991	EGM
2.	Increase in authorized share capital from ₹ 25,00,000 divided into 25,000 Equity Shares of ₹ 100 each to ₹ 1,00,00,000 divided into 1,00,000 Equity Shares of ₹ 100/- each	2nd December, 1991	AGM
3.	Reorganization of authorized share capital from ₹ 1,00,00,000/- divided into 1,00,000 Equity Shares of ₹100/- each to ₹ 1,00,00,000/- divided into 10,00,000 Equity Shares of ₹ 10/- each	21st April, 1992	EGM
4.	Increase in authorized share capital from ₹ 1,00,00,000/- divided into 10,00,000 Equity Shares of ₹ 10 each to ₹ 3,00,00,000 divided into 30,00,000 Equity Shares of ₹ 10/- each	21st April, 1992	EGM

5.	Conversion of Company from Private Limited to Public Limited and consequent change in name from Advanced Biochemicals Private Limited to Advanced Biochemicals Limited and change of minimum paid-up capital to ₹ 5,00,000/-	21st April 1992	EGM
6.	Increase in authorized share capital from ₹ 3,00,00,000/- divided into 30,00,000 Equity Shares of ₹ 10/- each to ₹ 4,00,00,000/- divided into 40,00,000 Equity Shares of ₹ 10/- each	24th September, 1993	AGM
7.	Increase in authorized share capital from ₹ 4,00,00,000 divided into 40,00,000 Equity Shares of ₹ 10/- each to ₹ 6,00,00,000/- divided into 60,00,000 Equity Shares of ₹ 10/- each	31st October, 1994	EGM
8.	Increase in authorized share capital from ₹ 6,00,00,000 divided into 60,00,000 Equity Shares of ₹ 10 each to ₹ 8,00,00,000/- divided into 60,00,000 Equity Shares of ₹ 10/- each and 2,00,000/- Preference Shares of ₹ 100/- each	February 25, 2000	EGM
9.	Increase in authorized share capital from ₹ 8,00,00,000 divided into 60,00,000 Equity Shares of ₹ 10 each and 2,00,000 Preference Shares of ₹ 100 each to ₹ 90,000,000/- divided into 6,000,000 Equity Shares of ₹ 10/- each and 300,000 Preference Shares of ₹ 100/- each	January 12, 2001	EGM
10.	Name of the Company was changed from Advanced Biochemicals Limited to its present name, Advanced Enzyme Technologies Limited.	8th August, 2005	EGM
11.	Reclassification of the authorized share capital from 6,000,000 Equity Shares of ₹ 10/- each and 300,000 Preference Shares of ₹ 100/- each to 9,000,000 Equity Shares of ₹ 10/- each	15th March, 2007	EGM
12.	Increase in authorized share capital from ₹ 9,00,00,000/- divided into 90,00,000 Equity Shares of ₹ 10 each to ₹ 15,00,00,000/- divided into 1,50,00,000 Equity Shares of ₹ 10 each	15th March, 2007	EGM

13.	Increase in authorized share capital from ₹ 15,00,00,000 divided into 1,50,00,000 Equity Shares of ₹ 10/- each to ₹ 35,00,00,000/- divided into 3,50,00,000 Equity Shares of ₹ 10/- each	5th March, 2010	EGM

Acquisition of Businesses / Undertakings

The Company has not made any acquisition of businesses / undertakings other than the following: -

(i) The Company had acquired the business of Messrs Super Organic Research Laboratories ("**SORL**") against the issue of Equity shares worth ₹ 20,84,000/- (Rupees Twenty Lac Eighty four Thousand only) were issued to the partners of *erstwhile* SORL, against its book value of ₹ 20,86,720/ (Rupees Twenty Lac Eighty Six Thousand Seven Hundred and Twenty only). The balance amount of book value being ₹ 2,720/- (Rupees Two Thousand Seven Hundred and Twenty only) was settled in cash;

(ii) By a Stock Purchase Agreement dated April 4, 2011, Advanced Enzymes USA, a wholly-owned subsidiary of the Company, has acquired all the outstanding stock of Cal India Foods International (Specialty Enzymes and Biotechnologies) from Mr. Vasant Laxminarayan Rathi, Ms. Rachana Rathi, Ms. Rasika Rathi and Ms. Reshma Rathi, by paying a consideration amounting to USD 31.98 Million of which USD 3 Million was payable in cash and balance USD 28.98 Million by way of the Purchaser Notes. The cash amounts and the Purchaser Notes were to be allocated to the Sellers in proportion to the shares held by them in Cal India Foods International; and

(iii) By a Stock Purchase Agreement dated October 31, 2012, Advanced Enzymes USA, a wholly-owned subsidiary of the Company, has also acquired Advanced Supplementary Technologies Corporation from Mr. Vasant Laxminarayan Rathi, Ms. Rachana Rathi, Ms. Rasika Rathi and Ms. Reshma Rathi, by paying a consideration of USD 3.1 Million of which USD 2 Million was payable in cash and balance USD 1.1 Million by way of Purchaser Notes. The cash amounts and the Purchaser Notes were allocated to the Sellers in proportion to the shares held by them in Advanced Supplementary Technologies Corporation.

Details of Merger/Amalgamation

There has been no merger/amalgamation pertaining to our Company.

Injunctions or Restraining Orders

Our Company is not operating under any injunction or restraining order.

Time and cost over-runs in setting up projects and certain other adverse remarks

(i) As on the date of the DRHP, there have been no time and cost overruns in any of the projects undertaken by our Company other than during the setting up of our manufacturing plant at Plot No. B-5 to 13, Dhar, Special Economic Zone, Pithampur, Indore, Madhya Pradesh. Our Company had scheduled to finish the construction of the Indore manufacturing facility and commence commercial operations by July, 2011; However, due to logistical backlogs, the plant commenced in September, 2012. Our company also incurred minor cost over-run on account of the delay of about ₹ 28.5 million; and

(ii) In the year 2006, an order was passed against our Company by the Deputy Commissioner, Nashik Division (Food and Drugs Administration Department) for contravention of the provisions of Drugs and Cosmetic Act, 1940 pursuant to which the drug licence for our manufacturing plant at Sinnar was suspended for a period of 15 days from June 26, 2006 to July 10, 2006. Further, in the year 2011, another order was passed by the same authority suspending the aforesaid licence for a period of 3 days from March 9, 2011 to March 11, 2011. Due to such suspension, our Company's operations in the aforesaid unit had to be halted.

Funds raising through equity or debt

For details in relation to our fund raising activities through equity and debt, please refer to the chapters titled '*Capital Structure'* on page 74 this DRHP.

Revaluation of assets

Our Company has not revalued its assets since its incorporation.

Defaults or Rescheduling of Borrowings with Financial Institutions/Banks

Our Company is not in default or in the process of rescheduling in respect of any borrowings with Financial Institutions/Banks.

Strikes or Labour Unrest in the Company

There have been no strikes or labour unrest since incorporation of our Company.

Changes in the activities of the Company during the last five years

There has been no change in the activities of our Company during the last five years.

Number of Shareholders/Members

As on the date of this DRHP, the total number of holders of our Equity Shares is 495.

Our Main Objects:

The main objects of our Company as stated in the Memorandum of Association are:

1. To carry on business as dealers, processors, manufacturers of Biochemicals such as enzymes, diagnostic agents, growth hormones, preparations of enzymes, life-saving drugs, medicines, fine chemicals, agro chemicals, pharmaceutical.

2. To carry on business as dealers, manufacturers, agents, processors of enzymatic preparations for edible & non – edible uses.

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently carried out.

Joint Venture and Other Agreements

As on the date of filing the Draft Red Herring Prospectus, there is no existing Joint Venture or other Agreements entered into by our Company.

Shareholders Agreement

Our Company, its Promoters and others have entered into a Share Subscription and Shareholders Agreement dated June 22, 2012 ("**SSHA**") with Kotak India Venture Fund I ("**Investor I**"), Kotak Employees Investment Trust ("**Investor II**") and Kotak India Venture (Offshore) Fund ("**Investor III**") for the purpose of allotment of Equity Shares of the Company to the Investor – I, Investor – II and Investor - III *pari passu* with all other outstanding shares of the Company in the following manner and on terms and conditions mentioned in the Agreement: -

Sr. No.	Investor	Equity Shares allotted	Price (₹)	Investment amount (₹)
1.	Investor – I	6,79,900	290	19,71,71,000
2.	Investor – II	17,900	290	51,91,000
3.	Investor – III	3,36,600	290	9,76,14,000
	Total	**10,34,400**	--	**29,99,76,000**

In terms of the SSHA, the Investor-I shall be entitled to appoint its nominee on the Board of the Company (which is presently, Mr. KV Ramakrishna) and his affirmative vote is required for the Board to pass any resolutions dealing with, *inter-alia*, modification of Memorandum/Articles of the Company, altering rights of the Investor-I, Investor-II and Investor-III, materially changing the capital structure of the Company/its Subsidiaries, infusion of fresh equity capital in the Subsidiaries, liquidate/dispose off all or substantial assets of the Company/Subsidiaries, creating or taking on record any charge/encumbrance on the Equity Shares of the Company. Further, in terms of the SSHA, the SSHA shall terminate on successful completion of this Issue.

Other Agreements

Except as stated in this DRHP, there are no other material agreements or contracts, which have been entered into within a period of two years prior to the date of the Draft Red Herring Prospectus, which are subsisting as on date.

Strategic Partners

Our Company does not have any strategic partners as on date of the DRHP.

Financial Partners

Our Company does not have any financial partners as on date of the DRHP.

Our Holding Company

We do not have a holding company.

Our Subsidiaries

Our Company has 8 subsidiaries of which, 5 are wholly owned subsidiaries. Advanced Supplementary Technologies Corporation and Cal India Foods International (Specialty Enzymes and Biotechnologies) are step-down subsidiaries of our Company. Following are subsidiaries of our Company: -

1. Advanced Bio-Proteins Limited;

2. Advanced Bio-Agro Tech Limited;

3. Advanced EnzyTech Solutions Limited;

4. Advanced Supplementary Technologies Corporation;

5. Advanced Enzyme Far East Limited;

6. Cal India Foods International (doing business as Specialty Enzymes and Biotechnologies);

7. Advanced Enzymes USA; and

8. Advanced Enzyme Europe B.V.

1. Advanced Bio-Proteins Limited:

The company was incorporated on July 20, 2010 as Advanced Bio-Pro Solutions Limited under the provisions of the Companies Act, 1956 having its registered office at Sun Magnetica, 5th Floor, LIC Service Road, Louiswadi, Thane - 400604. Subsequently, by a special resolution dated October 4, 2011 the company changed its name to Advanced Bio-Proteins Limited ("**ABPL**"). The company is, *inter-alia*, carrying on the business as a manufacturer, processor, distiller, compounder, formulator, acquirer, buyer, seller, importer, exporter and dealer in preparation of enzymes and other products for application on food, baking, brewery, malt and other gain processing industries including providing innovative, value-added bio-protein solutions to soyabean, other grains, oilseeds and other food ingredients.

Capital Structure and Shareholding Pattern:

The authorised share capital of ABPL is ₹ 10,00,000/-.

The shareholding pattern of ABPL is as follows:

Sr. No	Name of the Shareholder	No. of Equity Shares	Percentage of total equity holding (%)
1.	Advanced Enzymes Technologies Limited	49,300	98.60%
2.	Advanced Enzymes Technologies Limited through its following nominees:	700	1.40%
	Chandrakant Laxminarayan Rathi	100	--
	Savita Rathi	100	--
	Beni Prasad Rauka	100	--
	Piyush Rathi	100	--
	Mukund Kabra	200	--
	Saylee S. Pradhan	100	--
Total		**50,000**	**100.00%**

Interest of the Subsidiary in our Company

Except as stated in "Related Party Transactions" on page 401 of this DRHP, ABPL does not have any other interest in our Company's business.

2. Advanced Bio-Agro Tech Limited:

The company was initially incorporated as a private company on November 9, 2004 under the provisions of the Companies Act, 1956 as Advanced Bio-Agro Tech Private Limited having its registered office at 106, Dhanlakshmi Industrial Estate, Above Navneet Motors, Gokul Nagar, Thane (West) - 400 061. Pursuant to a Special Resolution passed at an Extra-Ordinary General Meeting held on December 11, 2004, it was resolved to convert the company from a private limited company to a public limited company and the name was changed to Advanced Bio-Agro Tech Limited ("**ABATL**"). With effect from April 28, 2009 the registered office of ABATL was shifted to Sun Magnetica, A- Wing, 5th Floor, LIC Service Road, Louiswadi, Naupada, Thane - 400 604. The company is *inter-alia*, carrying on the business as developer, provider of technology, manufacturer, processor, dealer of all kinds of agro bio chemicals and chemicals, biofertilisers, enzymes, diagnostic agents, growth hormones, composting, organic manures, crop saving drugs and medicines.

Capital Structure and Shareholding Pattern:

The authorised share capital of ABATL is ₹ 10,00,000/-.

The shareholding pattern of ABATL is as follows:

Sr. No	Name of the Shareholder	No. of Equity Shares	Percentage of total equity holding (%)
1.	Advanced Enzyme Technologies Limited	59,400	59.40%
2.	Advanced Enzyme Technologies Limited through the following nominees:	600	0.60%
	Piyush Rathi	100	--
	Mukund Kabra	200	--
	Kishor Rathi	100	--
	Savita Rathi	100	--
	Beni Prasad Rauka	100	--
3.	Om Prakash Singh	40,000	40.00%
Total		**1,00,000**	**100.00%**

Interest of the Subsidiary in our Company

Except as stated in "Related Party Transactions" on page 401, ABATL does not have any other interest in our Company's business.

3. Advanced EnzyTech Solutions Limited:

Advanced EnzyTech Solutions Limited ("**AESL**") was incorporated on September 1, 2008 as a public limited company under the Companies Act, 1956 with its registered office at Sun Magnetica, A- Wing, 5th Floor, LIC Service Road, Louiswadi, Naupada, Thane- 400604. The company is, *inter-alia*, carrying on the business a as manufacturer, formulator, processor, dealer, trader, importer of enzymes, biochemicals, chemicals, dyes and intermediates, auxiliaries, polymers, preparations of enzymes and other chemicals for application in textile, pulp and paper and other process industries and providing enzymatic and other solution to them including providing of solution to pollution related problems faced by the process industries by using the said products.

Capital Structure and Shareholding Pattern:

The authorised share capital of AESL is ₹ 10,00,000/-.

The shareholding pattern of AESL is as follows:

Sr. No	Name of the Shareholder	No. of Equity Shares	Percentage of total equity holding (%)
1.	Advanced Enzyme Technologies Limited	59,400	84.86%
2.	Advanced Enzyme Technologies Limited through the following nominees:	10,600	15.14%
	a. Chandrakant Laxminarayan Rathi	100	--
	b. Savitha Rathi	100	--
	c. Beni Prasad Rauka	100	--
	d. Piyush Rathi	100	--
	e. Mukund Kabra	200	--
	f. Mr. Dipak Roda	10,000	--
Total		**70,000**	**100.00%**

Interest of the Subsidiary in our Company

Except as stated in "Related Party Transactions" on page 401, AESL does not have any other interest in our Company's business.

4. Advanced Supplementary Technologies Corporation

Advanced Supplementary Technologies Corporation ("**AST**") was incorporated on December 30, 2010 under the Laws of the State of California, USA with its registered office 13591, Yorba Ave, Chino, California 91710. The company is *inter-alia*, carrying on the business of trading and marketing of enzymes and enzyme based products.

Capital Structure and Shareholding Pattern:

The authorised share capital of AST is USD 1,000,000. The entire shareholding of AST is being held by Advanced Enzymes USA which holds 1,000 shares of common stock of the company.

Interest of the Subsidiary in our Company

Except as stated in "Related Party Transactions" on page 401, AST does not have any other interest in our Company's business.

5. Advanced Enzyme Far East Limited

Advanced Enzyme Far East Limited ("**AEFEL**") was originally incorporated on March 11, 2009 as Fame State International Trading Limited in Hong Kong under the provisions of Company Ordinance (Chapter 32 of the Laws of Hong Kong). The registered office of the company was Rooms 1001-4A, Champion Building, 287-291, Des Voeux Road Central, Hong Kong. On 14th April, 2009, this was changed to 20/F, Central Tower, 28 Queen's Road Central, Hongkong. The name of the company was subsequently changed to Advanced Enzyme Far East Limited and a fresh certificate of incorporation was issued on 28th June, 2010. The company is, *inter-alia*, carrying on the business of trading of enzymes and enzyme based products.

Capital Structure and Shareholding Pattern:

The authorised share capital of AEFEL is HKD 1,500,000 divided into 1,500,000 shares of HKD 1.

The shareholding pattern of AEFEL is as follows:

Sr. No	Name of the Shareholder	No. of Equity Shares	Percentage of total equity holding (%)
1.	Advanced Enzyme Technologies Limited	12,02,000	85.73%
2.	Advanced Enzyme Technologies Limited through the following nominees: (i) Mr. Chandrakant Laxminarayan Rathi; and (ii) Mr. Dipak Roda.	2,00,000 1,80,000 20,000	14.27%
Total		**14,02,000**	**100.00%**

Interest of the Subsidiary in our Company

Except as stated in "Related Party Transactions" on page 401, AEFEL does not have any other interest in our Company's business.

6. Cal India Foods International (doing business as Specialty Enzymes and Bio-technologies):

Cal India Foods International ("**Cal India**") was incorporated on 24th March, 1985 under the provisions of Corporations Code of the State of California with its registered office at 333, CITY BLVD E STE 2050, ORANGE, CA - 92868. The company, *inter alia*, carries on the business of trading and manufacturing of enzymes and enzyme-based products.

Capital Structure and Shareholding Pattern:

The authorised share capital of Cal India is USD 1,00,000 divided into 1,00,000 shares of USD 1 each. The entire shareholding of Cal India is held by Advanced Enzymes USA which holds 2,000 shares of common stock of the company.

Interest of the Subsidiary in our Company

Except as stated in "Related Party Transactions" on page 401, Cal India does not have any other interest in our Company's business.

7. Advanced Enzymes USA:

Advanced Enzymes USA ("**AEU**") was incorporated on November 1, 2010 under the provisions of the Corporations Code of the State of California with its registered office at 4880, Munrietta Street, Chino, CA

91710 since incorporation. The company, *inter alia,* carries on the business of trading and marketing of enzymes and enzyme based products.

Capital Structure and Shareholding Pattern:

The authorised share capital of AEU is USD 3,000,000. The entire shareholding of Advanced Enzymes USA is being held by our Company which holds 3,000 shares in the common stock.

Interest of the Subsidiary in our Company

Except as stated in "Related Party Transactions" on page 401, AEU does not have any other interest in our Company's business.

8. Advanced Enzyme Europe B.V.:

Advanced Enzyme Europe, B.V. ("**AEEBV**") was incorporated on June 5, 2012 under the provisions of laws of Hague, Netherlands. Advanced Enzyme Europe, B.V. has its office at Laan Copes van Cattenburch 52, 2585GB's - Gravenhage. The company *inter alia,* carries on the business of trading, dealing, formulation and preparation of enzymes and related products.

Capital Structure and Shareholding Pattern:

The authorised share capital of AEEBV is Euro 125,000 divided into 12,500 shares of Euro 10 each. The entire shareholding of AEEBV is being held by our Company which holds 7,500 shares which represents 100 percent of paid-up capital of the company.

Interest of the Subsidiary in our Company

Except as stated in "Related Party Transactions" on page 401, AEEBV does not have any other interest in our Company's business.

Common Pursuits

Except as disclosed in this Draft Red Herring Prospectus, our Subsidiaries do not have any interest in any venture that is involved in any activities similar to those conducted by our Company.

OUR MANAGEMENT

Under the Articles of Association our Company cannot have less than 3 Directors and more than 12 Directors. Currently, our Company has 9 Directors.

The following table sets forth details regarding our Board of Directors as on the date of filing of this Draft Red Herring Prospectus with SEBI:

Board of Directors

Sr. No.	Name, Fathers' Name, Designation, Term, Age, Nationality, Address, Occupation & DIN	Date of Appointment & Term of Directorship	Other Directorships/ Partnership/ Trusteeship/ Proprietorship
1.	Mr. Chandrakant Laxminarayan Rathi *S/o* Laxminarayan Rathi ***Designation :*** Managing Director ***Term***: 1st April, 2010 to 31st March, 2015 ***Age :*** 58 ***Nationality***: Indian ***Address:*** Row House No. 18, Eternity, Teen Hath Naka, Service Road, Thane (West) – 400 604 ***Occupation***: Business ***DIN***: 00365691	Reappointed as a Managing Director w.e.f April 1, 2010 for a period of 5 years	*Other Directorships* (i) Advanced Vital Enzymes Limited; (ii) Atharva Capital Ventures Private Limited; (iii) Advanced EnzyTech Solutions Limited; (iv) Chandrakant Rathi Finance and Investment Company Private Limited; (v) Source Natural Foods And Herbal Supplements Limited; (vi) Advanced Enzyme Far East Limited; (vii) Advanced Enzymes USA; and (viii) Advanced Enzyme Europe B.V. *H.U.F* C. L. Rathi HUF *Trust*

			Enzymes Association of India
2.	Mr. Vasant Laxminarayan Rathi *S/o* Laxminarayan Rathi ***Designation :*** Non-executive and Non-independent Director ***Term***: Liable to retire by rotation ***Age :*** 65 **Nationality**: Non Resident Indian **Address**: 5390 LA, Crescenta, Yorba Linda, CA 92887, USA ***Occupation***: Business ***DIN:*** 01233447	Appointed as a Director on March 5, 1993. Re-appointed on 17th July, 2012 (AGM) as Director liable to retire by rotation.	*Other Directorships* (i) Advanced Enzymes USA; (ii) Advanced Supplementary Technologies Corporation; (iii) Cal India Foods International; (iv) Rathi Property LLC; and *Trust* Vasant and Prabha Rathi Generation Trust
3.	Mr. Ramesh Thakorlal Mehta *S/o* Mehta Thakorlal Keshavlal ***Designation :*** Non-executive and Independent Director ***Term***: Liable to retire by rotation ***Age :*** 80 **Nationality**: Indian **Address**: C-2, Seaface Park, 50, Bhulabhai Desai Road, Mumbai 400 026. ***Occupation***: Retired ***DIN***: 00367439	Appointed as a Director on March 5, 1993. Re-appointed on 17th July, 2012 (AGM) as Director liable to retire by rotation.	None
4.	Mr. Pradip Bhailal Shah *S/o* Mr. Bhailal Shah ***Designation :*** Non-executive and Non-independent Director ***Term***: Liable to retire by rotation	Appointed as a Director on September 24, 1993. Reappointed on 18th August, 2011 (AGM) as a Director liable to retire by rotation.	*Other directorships* Washington Garment Dyeing Inc. (USA); and Advanced Enzymes USA.

	Age : 59 ***Nationality***: Non Resident Indian ***Address*****:** 16629, Black Burn Drive, L.A-Miranda, California - 90638 ***Occupation***: Business ***DIN***: 01225582		
5.	Mr. Mukund Madhusudan Kabra *S/o* Madhusudan Girdharilal Kabra ***Designation :*** Executive and Whole time Director ***Term***: 1st April, 2009 to 31st March, 2014 ***Age :*** 40 ***Nationality***: Indian ***Address*****:** Plot no. – 33, Sheetal Co-op Housing Society, Takali Road, Nashik – 422 011. ***Occupation***: Business ***DIN***: 00148294	Re-appointed as a Whole time Director w.e.f April 1, 2009 for a period of 5 years	*Other Directorships* (i) Advanced Vital Enzymes Limited; and (ii) Advanced Bio-Agro Tech Limited. *HUF* Mukund M. Kabra H.U.F
6.	Mrs. Savita Rathi *W/o* Mr. Chandrakant Laxminarayan Rathi ***Designation :*** Executive and Whole time Director ***Term***: 1st January, 2011 to 31st December, 2015 ***Age :*** 52 ***Nationality***: Indian ***Address*****:** Row House No. 18,	Re-appointed as a Whole time Director w.e.f January 1, 2011 for a period of 5 years	*Other Directorships* (i) Advanced Vital Enzymes Limited (ii) Advanced EnzyTech Solutions Limited (iii) Atharva Capital Ventures Private Limited; (iv) Chandrakant Rathi Finance and

	Eternity, Teen Hath Naka, Service Road, Thane (West) – 400 604 ***Occupation***: Business ***DIN***: 00365717		Investment Company Private Limited; and (v) Advanced Bio-Proteins Solutions Limited.
7.	Mr. Kedar Jagdish Desai *S/o* Jagdish Desai Shivprasad ***Designation :*** Chairman, Non-Executive and Independent Director ***Term***: Liable to retire by rotation ***Age :*** 41 ***Nationality***: Indian ***Address*****:** Flat no. 52, Makni Manor, 16, D. G. Deshmukh Marg, Peddar Road, Mumbai 400 026. ***Occupation***: Professional ***DIN***: 00322581	Appointed as an Independent Director w.e.f. August 27, 2010 (Additional Director) and appointed as a regular Director on 18th August, 2011 (AGM)	*Other Directorships* (i) Axis Mutual Fund Trustee Limited; (ii) Financial Planning Corporation (India) Private Limited; (iii) Chowgale Industries Private Limited; and (iv) Financial Planning Standards Board of India. *Partnership* Messrs Desai Desai Carrimjee & Mulla, Advocates and Solicitors *HUF* Jagdish S. Desai H.U.F
8.	Mr. Pavan Kumar Gupta *S/o* Radhey Ramanlal Gupta ***Designation :*** Non-Executive and Independent Director ***Term***: Liable to retire by rotation ***Age :*** 64 ***Nationality***: Indian ***Address*****:** 1006, Urvashi-I, Amrapali Royal 2B, VaibhavKhand Indirapuram, Ghaziabad, Uttar Pradesh – 201 010	Appointed as an Independent Director w.e.f. August 27, 2010 (Additional Director) and appointed as a regular Director on 18th August, 2011 (AGM)	*Other Directorships* (i) UV Asset Reconstruction Company Limited; (ii) PNB Housing Finance Limited; and (iii) Baroda Pioneer Asset Management Company Limited.

	Occupation: Service ***DIN***: 00603676		
9.	Mr. K.V. Ramakrishna *S/o* Subbarao Kunisetty ***Designation :*** Non-Executive and Non-Independent Director ***Term***: Till the next Annual General Meeting ***Age :*** 43 ***Nationality***: Indian ***Address*****:** Flat no. 301, Orchid Hiranandani Meadows, Gladys Alwares Marg, Off. Pokhran Road no. 2, Thane – 400 610 ***Occupation***: Service ***DIN***: 00133248	Appointed as Additional Director on 11th August, 2012	*Other Directorships* (i) Four Soft Limited; (ii) Icomm Tele Limited; (iii) Mahindra Aerospace Private Limited; (iv) Dynaspede Integrated Systems Private Limited; and (v) Macrocomm Convergence (India) Private Limited (dormant).

Note: Except Mr. Vasant Laxminarayan Rathi and Mr. Pradip Bhailal Shah, all our directors are Indian nationals. Below mentioned directors are related to each as follows:

(i) Mr. Vasant Laxminarayan Rathi and Mr. Chandrakant Laxminarayan Rathi are brothers;

(ii) Mrs. Savita Rathi is the wife of Mr. Chandrakant Laxminarayan Rathi and sister-in-law of Mr. Vasant Laxminarayan Rathi;

(iii) Mr. Mukund Kabra is the sister's son (nephew) of Mr. Vasant Laxminarayan Rathi and Mr. Chandrakant Laxminarayan Rathi (and by virtue of the same is also related to Mrs. Savita Rathi).

None of our Directors are on the RBI List of wilful defaulters as on the date of the Draft Red Herring Prospectus.

Further, neither our Company nor our Promoters, persons forming part of our Promoter Group, Directors or persons in control of our Company are debarred from accessing the capital markets by SEBI.

None of our directors are or have been directors in any of the listed companies which have been/ were delisted from the stock exchange(s).

None of our directors are or have been directors in any of the listed companies whose shares have been/were suspended from being traded on the BSE Limited / National Stock Exchange of India Limited

None of the Promoters, Directors or persons in control of our Company, have been or are involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by the SEBI.

Other than the SHA executed with Investor – I, Investor – II and Investor – III, there is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the above mentioned Directors was selected as director or member of senior management. In terms of the SHA, Mr. KV Ramakrishna was appointed as the nominee director on the Board.

Brief Profile of the Directors

Mr. Chandrakant Laxminarayan Rathi, aged 58 years, is the Promoter and Managing Director of our Company. He holds a Bachelor's degree in Science (Chemical Engineering) from National Institute of Technology, Rourkela. He has over 30 years of experience in the enzyme industry. He incorporated Rathi Papains Private Limited in the year 1978, which was engaged in the business of manufacturing of enzymes from crude papain. He was also the Chief Executive Officer of Topline Foods Limited from the year 1984 to 1986, which was engaged in the business of fruit processing and export of fruit juices. In the year 1986, he joined Messrs Super Organic Research Laboratories as a partner till the year 1987 (which came to be acquired by the Company at a later stage). Subsequently, he promoted and incorporated the Company in the year 1989 and has been a driving force of the Company since then. He is responsible for the management of the entire operations of the Company and its Indian subsidiaries, including strategic initiatives of our businesses.

Mr. Vasant Laxminarayan Rathi, aged 65 years, is the Promoter and a Non-executive Director of our Company. He holds a Bachelor's degree in Pharmacy from Nagpur University and degree of Master of Science from University of Hawaii. He has over 38 years of experience in the enzyme industry. He promoted and incorporated Cal India Foods International in the year 1985, which has specialised in the sector of nutraceutical and industrial enzymes. Further, he has also been associated with the Company since the year 1993. Mr. Vasant Laxminarayan Rathi heads our international subsidiaries based in United States and Europe.

Mrs. Savita Rathi aged 52 years, is the Executive and Whole-time Director of our Company. She has over 23 years of experience in the enzyme industry. She is responsible for the administration of the Company, management and supervision of Export-Import, Client relationship management and the Human Resource department of the Company.

Mr. Mukund Madhusudan Kabra aged 40 years, is the Executive and Whole-time Director of our Company. He holds a Bachelor's degree in Chemical Engineering from Sambalpur University. He has over 17 years of experience in enzyme industry. In the past, he had worked as a Technical Sales Associate with Messrs Arun and Co., where he was a part of various sales promotion campaigns for enzymes manufactured by Novozymes. He joined our Company in the year 1996. Mr. Mukund Kabra has played a very important role in the growth of the Company and its Subsidiaries. He is responsible for the overlooking the manufacturing operations of the Company. He has been solely responsible for scaling-up production of various liquid enzymes. He has also developed novel methods and procedures for liquid enzymes, which has led to significantly improved yields. Further, he is also responsible for improving the fermentation for existing products, strain improvement, fermentation, downstream research and analytical research.

Mr. Ramesh Thakorlal Mehta aged 80 years, is a Non-Executive and Independent Director of our Company since 1993. He passed the Intermediate Science Exam from University of Bombay. He has vast experience in the business of diamonds exports, jewellery and textiles.

Mr. Pradip Bhailal Shah aged 59 years, is a Non-Executive and Non-Independent Director of our Company. He holds a Bachelor's degree in Commerce from Gujarat University and has studied Management from California State University. He has over 24 years of experience in garments business.

Mr. Pavan Kumar Gupta aged 64 years, is a Non-Executive and Independent Director of our Company. He holds a Bachelor's degree in Law and Masters in Commerce from Agra University. He also holds a diploma in International Banking and Finance from the Indian Institute of Bankers. He has over 37 years of experience in banking sector. In the past, he has held the position of Chairman and Managing Director of the United Bank of India from 1st May 2005 to 30th September, 2008. In addition to the same, he also held an additional charge as the Chairman of National Housing Board of India from December, 2004 to April, 2006.

Mr. K. V. Ramakrishna aged 43 years, is a Non-Executive and Non-Independent Director of our Company. He holds a Post Graduate Diploma in Management from Indian Institute of Management, Bangalore. He also holds Bachelors' degree in Computer Science and Engineering from National Institute of Technology, Warangal. He has over 20 years of experience of which 18 years is in the Finance Industry. He is currently, the Chief Investment Officer of the Private Equity business of the Kotak Group. He has been associated with the Kotak Group since 2004. Prior to joining Kotak, he was a part of Carlyle Asia Venture Partners (a technology focused venture fund) for 4 years. Prior to joining Carlyle, he was the Manager of Private Equity Investments at ICICI Venture Funds Management Company Limited. He started his career with Tata Motors Limited, where he worked for 2 years at the Management Services Division as a Systems Analyst.

Mr. Kedar Jagdish Desai aged 41 years, is the Chairman of our Company and a Non-Executive and Independent Director on our Board. He holds a Bachelors degree of Commerce and a Bachelor's degree in Law from the University of Mumbai. He is also a qualified solicitor from the Bombay Incorporated Law Society. He has over 15 years of experience in the field of law. He has been associated with Messrs Kanga & Co. from the year 1997 to 2007, out of which during the period 2004 to 2007, he was a partner at Messrs Kanga & Co. Subsequently and ever since, he has been a part of Messrs Desai, Desai, Carrimjee & Mulla, Advocates and Solicitors as a partner.

Borrowing Powers

In terms of the Articles of Association of the Company, the Board is allowed to borrow or raise or secure the payment of money in such manner as it may think fit and in particular by the issue of debentures or debenture-stock perpetual or otherwise charges upon all or any of the Company's property (both present and future) including its uncalled capital and to purchase, redeem or pay off any such securities.

Compensation to Managing Director and Whole-time Directors

We have not entered into any service agreement with our Managing Director and Whole Time Directors, however, the terms of their appointment are ratified by the shareholders of the Company. Following are the details of their compensation: -

(i) **Mr. Chandrakant Laxminarayan Rathi, Managing Director**

Particulars	Remuneration
Salary	In the range of ₹ 1,50,000/- to ₹ 3,00,000/- per month with an annual increment of not exceeding 50% of the previous year basic salary.
Other Allowances	House Rent Allowance, Compensatory Allowance, Education Allowance, Special Allowance and any other allowance as per the rules of the Company payable every month and annually.
Commission	Commission equivalent to 1% of Profit after Tax of the Company.
Perquisites	*Category – A* Mr. Chandrakant Laxminarayan Rathi is entitled to various perquisites including

	Medical Reimbursement, Leave Travel Concession, Club Fees (subject to maximum of two clubs excluding admission and life membership fees), Personal Accident Insurance, Medical Insurance, Incentive, Ex-gratia etc., in accordance with the rules of the Company. The aforesaid perquisites may be in the form of allowances or reimbursement, however, will be restricted to aggregated amount of annual salary and other allowances. *Category - B* The Company's contribution to Provident Fund, Superannuation Fund and Annuity Fund, benefits of the Pension and Gratuity Scheme, Leave entitlement, Earned Leave and Encashment of earned leave and long service awards, will be in accordance to salary but shall not form a part of the perquisites. *Category – C* Car for the use on Company's' business, telephone and communication facilities at residence, will not be considered as perquisites.
Reimbursement of Expenses	Reimbursement of travelling, entertainment and other expenses including amount spent on newspaper and business magazines incurred by him during the course of the business of the company.
Sitting fees	Not entitled

For Financial Year ending 2012, Mr. Chandrakant Laxminarayan Rathi was paid a Basic Salary of ₹ 18,00,000/-, Other Allowances of ₹ 39,72,104/- and a commission of ₹ 15,44,858/- was also paid @ 0.73% of the Net Profits of the Company.

(ii) **Mrs. Savita Rathi, Whole time Director**

Particulars	**Remuneration**
Basic salary	In the range of ₹ 50,000/- – ₹ 1,25,000/- per month with an annual increment of not exceeding 30% of the previous year basic salary.
Other allowance	House Rent Allowance, Compensatory Allowance, Education Allowance, Special Allowance and any other allowance as per the rules of the Company payable every month and annually.
Perquisites	*Category – A* Entitled to various perquisites including Medical Reimbursement, Leave Travel Concession, Club Fees (subject to maximum of two clubs excluding admission and life membership fees), Personal Accident Insurance, Medical Insurance, Incentive, Ex-gratia etc., in accordance with the rules of the Company. The aforesaid perquisites may be in the form of allowances or reimbursement. The aforesaid perquisites will be restricted to aggregate of annual salary and other allowances. *Category - B* The Company's contribution to Provident Fund, Superannuation Fund, and Annuity Fund, benefits of the Pension and Gratuity Scheme, Leave entitlement, Earned Leave and Encashment of earned leave and long service awards in accordance with the rules of the Company and will be allowed in addition to salary but shall not form a part of the perquisites.

	Category – C Car for the use on Company's' business, telephone and communication facilities at residence, shall not form a part of the perquisites.
Re-imbursement of expenses	Re-imbursement of traveling, entertainment, and other expenses including newspaper and business magazines incurred by her during the course of the business of the Company.
Sitting fees	Not entitled

For the Financial Year 2012, Mrs. Savita Rathi was paid a Basic Salary of ₹ 7,20,000/- and Other Allowances of ₹ 16,14,847/-.

(iii) **Mr. Mukund Kabra, Whole time Director**

Particulars	Remuneration
Basic salary	In the range of ₹ 65,000 – ₹ 1,85,000 per month with an annual increment of not exceeding 30% of the previous year basic salary.
Other allowance	House Rent Allowance, Compensatory Allowance, Education Allowance, Special Allowance and any other allowance as per the rules of the Company payable every month and annually.
Commission	Equivalent 0.5% profit after tax of the Company
Perquisites	*Category – A* Entitled to various perquisites including Medical Reimbursement, Leave Travel Concession, Club Fees (subject to maximum of two clubs excluding admission and life membership fees), Personal Accident Insurance, Medical Insurance, Incentive, Ex-gratia etc., in accordance with the rules of the Company. The aforesaid perquisites may be in the form of allowances or reimbursement however will be restricted to aggregated amount of annual salary and allowances. *Category - B* The Company's contribution to Provident Fund, Superannuation Fund, and Annuity Fund, benefits of the Pension and Gratuity Scheme, Leave entitlement, Earned Leave and Encashment of earned leave and long service awards in accordance with the rules of the Company and will be allowed in addition to salary but these shall not form a part of perquisites. *Category – C* Car for the use on Company's' business, telephone and communication facilities at residence, shall not form a part of the perquisites.
Re-imbursement of expenses	Re-imbursement of traveling, entertainment and other expenses including newspaper and business magazines incurred by him during the course of the business of the Company.
Sitting fees	Not entitled

For the Financial Year 2012, Mr. Mukund Kabra was paid a Basic Salary of ₹ 15,84,000/-, Other Allowances of ₹ 45,72,853/- and a commission of ₹ 10,29,906/- @ 0.49% of the Net Profits of the Company.

Payment or benefit to Directors/ officers of our Company

The sitting fees/other remuneration paid to our Directors for Fiscal 2012 are as follows:

Remuneration to Non-executive Directors:

- Other than the remuneration to the Managing Director and the Whole time Directors mentioned above, Mr. Vasant Laxminarayan Rathi, our Non-Executive Director and Promoter, was paid a commission of ₹ 20,59,811/- for the Financial Year 2012.

- Only our Independent Directors are entitled to sitting fees of ₹ 15,000/- for attending Board Meetings and ₹ 10,000/- for attending Committee Meetings of our Company.

The above said remuneration and perquisites are subject to the ceiling laid down in sections 198 and 309 and Schedule XIII of the Companies Act and all other applicable provisions of the Companies Act as may be amended from time to time. In case of payment of remuneration in excess of the prescribed limits, recovery of the excess amount may be waived by the board of directors upon the recommendation of the Remuneration Committee and with the approval of the Central Government.

Except as stated in this Draft Red Herring Prospectus, no amount or benefit has been paid by our Company within the two preceding years or is intended to be paid or given by our Company to any of our Company's officers including our Directors and key management personnel.

Further, except statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including our directors and our key management personnel, are entitled to any other benefits upon termination of employment.

Shareholding of Directors in our Company

Our Articles of Association do not require our Directors to hold any qualification shares. However shareholding of our Directors is hereunder provided as on date:

Sr. No.	Directors	No. of Equity shares	Percentage (%)
1.	Mr. Vasant Laxminarayan Rathi	88,80,900	40.80
2.	Mr. Pradip Bhailal Shah	7,50,800	3.45
3.	Mr. Mukund Madhusudan Kabra	3,81,100*	1.75
4.	Mrs. Savita C. Rathi	73,200	0.34
5.	Mr. Ramesh Thakorlal Mehta	8,000	0.04
6.	Mr. Chandrakant Laxminarayan Rathi	5,200	0.02
Total		**1,00,99,200**	**46.40**

**900 Equity Shares are held on behalf of ABL Employees Stock Option Trust*

Interest of Directors

Our Directors are interested in our Company in the following manner: -

(a) All the Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meeting of the board or a Committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under the Articles of Association;

(b) All the Directors may also be deemed to be interested to the extent of Equity Shares, if any, already held by them to the extent of any dividends payable to them and other distributions in respect of the said Equity Shares;

(c) All Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any Company in which they hold Directorships or any partnership firms in which they are partners as declared in their respective declarations;

(d) Our Director, Mr. Vasant Laxminarayan Rathi is also a promoter of Rathi Property LLC that has leased a portion of land to our step-down subsidiary, Cal India Foods International, which is presently used for our manufacturing and QA/QC/R&D facility at Chino, California, USA. Cal India has been paying a monthly lease rental of USD 11,000 to Rathi Property LLC for the same.

(e) Further, the portion of land on which we intend to set our new manufacturing and R&D facility at Chino is also granted on lease by Rathi Property LLC to Cal India. Cal India has been paying a monthly lease rental of USD 11,000 to Rathi Property LLC for the same. For more details, please see the Chapter on "*Objects of the Issue*" of this DRHP;

(f) Our Subsidiary, Advanced Enzymes USA has obtained a loan of USD 17 Million from our Director, Mr. Vasant Laxminarayan Rathi at the rate of 3.5% per year and has executed a promissory note dated December 13, 2012 against the same. Further, all the stocks held by Advanced Enzymes USA in Cal India are pledged to Mr. Vasant Laxminarayan Rathi against re-payment of the aforesaid loan;

(g) Our Subsidiary, Advanced Enzymes USA has obtained a loan of USD 3 Million from Rathi Property LLC at the rate of 3.5% per year and has executed a promissory note dated December 13, 2012 against the same. Further, all the stocks held by Advanced Enzymes USA in Cal India are pledged to Mr. Vasant Laxminarayan Rathi against re-payment of the aforesaid loan;

(h) By a Stock Purchase Agreement October 31, 2012, Advanced Enzymes USA, our wholly-owned subsidiary acquired the entire stock of Advanced Supplementary Technologies Corporation from our Promoter and Promoter Group members namely Mr. Vasant Laxminarayan Rathi, Ms. Rachana Rathi, Ms. Rasika Rathi and Ms. Reshma Rathi ("**Purchasers**") for a consideration partly paid in cash and partly under purchaser notes. Advanced Enzymes USA has issued promissory notes aggregating to USD 1.1 Million in favour of the Purchasers. Further, Advanced Enzymes USA has also pledged its shares in Advanced Supplementary Technologies Corporation with Purchasers as security for payments to be made under the aforesaid purchaser notes. Therefore, in the event of default under the said purchaser notes, the Purchasers may invoke the pledge and sell the shares held by Advanced Enzymes USA in Advanced Supplementary Technologies Corporation and recover their dues. For further information, please see the section "*History and Certain Corporate Matters*" on page 215 of this DRHP; and

(i) Further, our Promoters have also extended deposits to our Company. For details, please see the Chapter on "*Financial Indebtedness*" and "*Financial Information*" on pages 403 and 257 of this DRHP.

Except as stated above and under the heading "Related Party Transactions" under the section titled "Financial Information" on page 257 in this DRHP, we have not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Red Herring Prospectus in which the Directors are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company.

Interest of the Directors as to Property

Other than as mentioned above, our Directors have no interest other than in the normal course of business in any property acquired by our Company within two years from the date of this Draft Red Herring Prospectus.

Changes in our Board of Directors during the last three years

The following changes have taken place in the Board of Directors of our Company during the last three years:

Sr. No.	Name	Date of change	Reason
1.	Mr. Govind Chintaman Ghore	5th June, 2010	Cessation
2.	Mr. Kedar Jagdish Desai	27th August, 2010	Appointment
3.	Mr. Pavan Kumar Gupta	27th August, 2010	Appointment
4.	Mr. K. V. Ramakrishna	11th August, 2012	Appointment

Composition of the Board of Directors

S. No.	Name of the Director	Category
1.	Mr. Chandrakant Laxminarayan Rathi	Managing Director
2.	Mr. Vasant Laxminarayan Rathi	Non-Executive and Non-Independent Director
3.	Mr. Ramesh Thakorlal Mehta	Non-Executive and Independent Director
4.	Mr. Pradip Bhailal Shah	Non-Executive and Non-Independent Director
5.	Mr. Mukund Madhusudan Kabra	Executive and Whole Time Director
6.	Mrs. Savita C. Rathi	Executive and Whole Time Director
7.	Mr. Kedar Jagdish Desai	Chairman, Non-Executive and Independent Director
8.	Mr. Pavan Kumar Gupta	Non-Executive and Independent Director
9.	Mr. K.V. Ramakrishna	Non-Executive and Non-Independent Director

Corporate Governance

The provisions of the Listing Agreement to be entered into with the Stock Exchanges with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchanges. We believe we are in compliance with the requirements of the applicable regulations, including the Listing Agreement with the Stock Exchanges and the SEBI Regulations, in respect of corporate governance including constitution of the Board and committees thereof. The corporate governance framework is based on an effective independent board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

We have a Board of Directors constituted in compliance with the Companies Act and Listing Agreement to be executed with Stock Exchanges and in accordance with best practices in corporate governance, our Board of Directors functions either as a full board or through management which provides our Board of Directors detailed reports on its performance periodically.

Currently our Board has 9 Directors, of which the Chairman of the Board is a Non-Executive and Independent Director. In compliance with the requirements of Clause 49 of the Listing Agreement, we have 3 Executive Directors and 6 Non-Executive Directors on our Board.

I. Committees of the Board in accordance with the Listing Agreement

Audit Committee

The Audit Committee was formed on January 31, 2001. Subsequently, the constitution of the same underwent changes from time to time and the existing Audit Committee of the Company comprises of the following: -

(i) Mr. Kedar Desai – Chairman;

(ii) Mr. Chandrakant Laxminarayan Rathi – Member;

(iii) Mr. R T Mehta – Member; and

(iv) Mr. K V Ramakrishna – Member.

The Audit Committee shall meet at least four times a year with maximum interval of four months between two meetings of the Audit Committee.

The role of the Audit Committee includes the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:

   a. Matters required being included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956;

   b. Changes, if any, in accounting policies and practices and reasons for the same;

   c. Major accounting entries involving estimates based on the exercise of judgment by management

   d. Significant adjustments made in the financial statements arising out of audit findings

   e. Compliance with listing and other legal requirements relating to financial statements;

f. Disclosure of any related party transactions;

g. Qualifications in the draft audit report;

5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

7. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.

8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit

9. Discussion with internal auditors any significant findings and follow up there on.

10. Reviewing the findings of any internal investigations by the internal auditors into mat ters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.

11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

13. To review the functioning of the Whistle Blower mechanism;

14. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

15. Review of management discussion and analysis of financial condition and results of operations;

16. Review of statement of significant related party transactions (as defined by the audit committee), submitted by management;

17. Review of management letters / letters of internal control weaknesses issued by the statutory auditors;

18. Review of internal audit reports relating to internal control weaknesses;

19. Appointment, removal and terms of remuneration of the Chief internal auditor, if any.

20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Shareholders/Investor Grievance Committee

The Shareholders/Investors Grievance Committee was constituted by our Board of Directors at their meeting held on February 2, 2013. The members of the Shareholders'/Investors' Grievance Committee are:

(i) Mr. Kedar Desai – Chairman;

(ii) Mr. KV Ramakrishna – Member; and

(iii) Mr. Ramesh Mehta – Member

The frequency of meetings of Shareholders/ Investors Grievance Committee is at least twice in a year. The quorum of the meetings of the Shareholders/ Investors Grievance Committee is either two members or one third of the members whichever is greater, but with a minimum of two independent members present. The role of Shareholders/ Investors Grievance Committee shall be overview of investor grievance handling mechanism of the Company and other incidental matters.

Compensation Committee

In the Board meeting dated August 11, 2012, the Compensation Committee was re-constituted comprising of Mr. Kedar Desai, Mr. Ramesh Mehta and Mr. KV Ramakrishna. The role of the Compensation Committee shall be to oversee the matters pertaining to compensation of KMPs, Senior Management, Directors and Promoters and shall form the policies and practices including payment of remuneration and compensation to them and shall act in accordance with the terms of reference as may be decided by the Board of Directors. Further, the Compensation Committee shall meet atleast once in every six months.

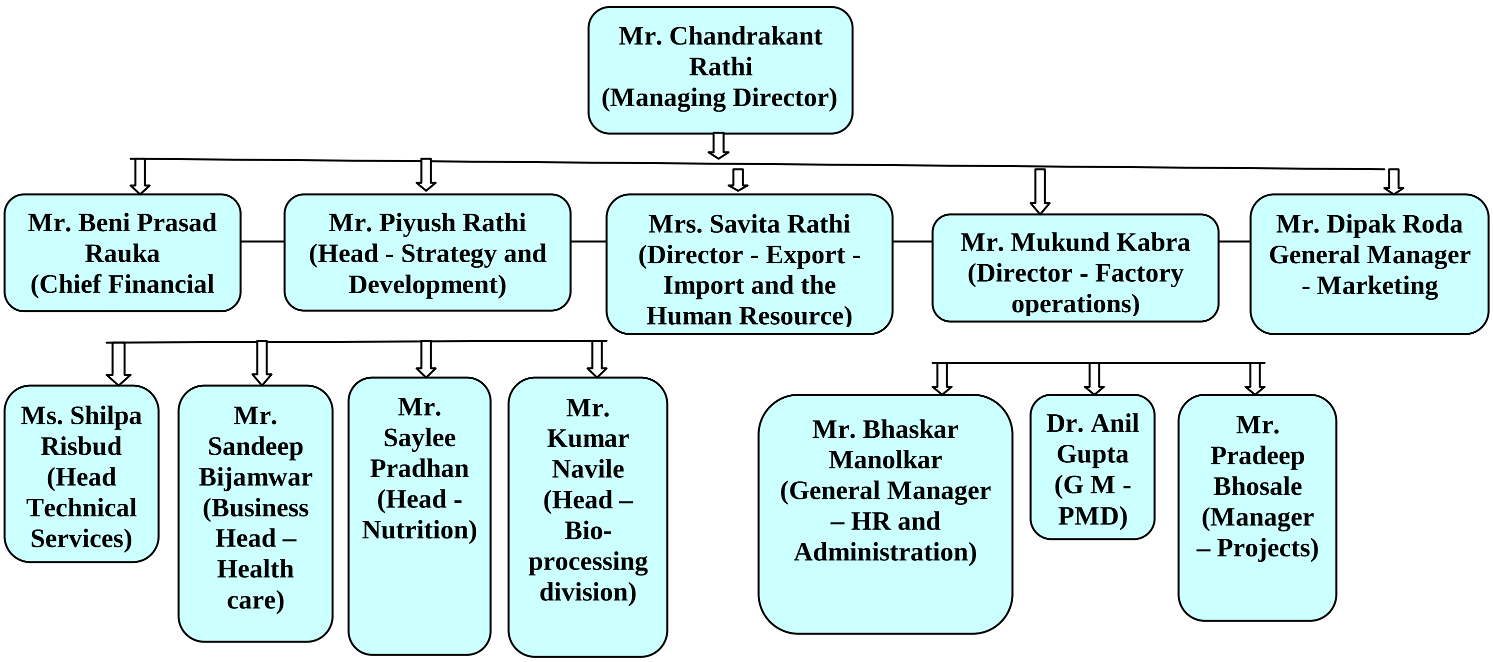
Management Committee

In the Board meeting dated August 11, 2012, the Management Committee was constituted comprising of Mr. KV Ramakrishna (Director), Mr. Mukund Kabra (Director – Operation), Mr. BP Rauka (CFO and Company Secretary) and Mr. Piyush Rathi (General Manager, Strategy and Management). The role of the Management Committee shall take appropriate/necessary steps, decisions required in connection with the operations, compliance and governance of the Company and guide the overall strategy of growth subject to overall supervision of Board of Directors of the Company.

IPO Committee

In the Board meeting dated August 11, 2012, the IPO Committee was constituted comprising of Mr. Chandrkant Rathi, Mr. Kedar Desai and Mr. KV Ramakrishna. IPO Committee is authorized to take decisions with regard to IPO as it may, in its absolute discretion deem fit and proper in the interest of the Company including the appointment of merchant bankers, lawyers, registrar and other agencies as may be required for the purpose of IPO and the minutes of the Committee be placed to the Board for information, from time to time.

Organisation Chart



(i) **Mr. Beni Prasad Rauka,** aged 48 years, is our group Chief Finance Officer and Company Secretary. He is a qualified Chartered Accountant and Company Secretary and has over 2 decades of experience in the finance industry. He was associated with our Company as an advisory since 2000 and became our employee on September 1, 2002. Prior to joining our Company, he worked with Systematix Corporate Services as a Merchant Banker and as an Executive Director with Indergiri Finance Limited. In his previous assignments, he has mobilized short term, long-term funding from financial institutions, banks and corporate for companies. As a Merchant Banker, he has handled several fund raising assignments include IPO for various Indian companies. As the Chief Finance Officer and Company Secretary, he is responsible for finance, accounts, audit, company secretarial functions and related legal affairs in the Company. His annual remuneration in the fiscal 2012 was ₹ 24,19,354/-;

(ii) **Mr. Dipak Roda**, aged 40 years, is our General Manager – Marketing. He holds a Bachelor's degree in Engineering (Chemical Branch) from University of Pune and Post-graduation in Bio-process Technology from University of Mumbai. He is working with us since March 1, 2005. Prior to joining our Company, he worked with Lumis Biotech Private Limited. As General Manager-Marketing, he is responsible for global sales and marketing, product development, application development and formulation of enzymes based on market demand. He has been instrumental in growing our business by establishing relationship with dealers and distributors across Asia, Europe and Middle East. He has extensive experience in setting up international marketing/ liaison offices for our Company. His annual remuneration in the fiscal 2012 was ₹ 24,19,354/-;

(iii) **Mr. Piyush Rathi**, aged 32 years, is our Head – Strategy and Business Development. He holds a Bachelor's degree in Science from University of Mumbai, Bachelors of Business Administration in Finance from Michigan Technological Institute, USA, and Post Graduate Diploma in Business Administration from the Symbiosis Centre for Management and Human Resource Development. He joined our Company in April 2004. Mr. Piyush Rathi has over 8 years of experience in enzymes industry. As the Head – Strategy and Business Development, he is responsible for streamlining systems and processes and identifying new growth avenues for our Company. He also spearheads the entire 'Business to Consumer' portfolio consisting of human healthcare, animal health and the agriculture portfolio. He is also actively involved in our R&D initiatives and the Human Resource development activities, since they are central to the growth of our Company. He also fills the role of a strategic advisor on matters related to international ventures. His annual remuneration in the fiscal 2012 was ₹ 24,19,354/-;

(iv) **Mr. Sandeep Bijamwar**, aged 40 years, holds a Diploma in Marketing Management and Bachelor of Pharmacy from Pune University. He is working with us since May 1, 2010. He has 17 years experience in the chemicals and pharmaceuticals industry. Prior to joining our Company, he has worked with (i) Cipla Limited in the production and R&D department from 1995 – 2003 and (ii) Ideal Cures Private Limited as the Deputy General Manager – Marketing and Technical from June 2003 – 2010. He is the Business Head-Health Care of our Company. His annual remuneration in the fiscal 2012 was ₹ 14,00,000/-;

(v) **Ms. Shilpa Risbud**, aged 40 years, is our Head- Technical Services. Ms. Shilpa Risbud holds a Master's degree in Bio-Chemistry from North Maharashtra University, Jalgaon and is a Post graduate in Clinical Research and Trial Management from Institute of Clinical Research (India). She is working with us since March 1, 1996. She is the Head - Technical Services of our Company and is responsible for pharmaceutical and veterinary enzymes product designing. Her annual remuneration in the fiscal 2012 was ₹ 10,40,000/-;

(vi) **Ms. Saylee Pradhan**, aged 44 years, our Manager - R&D and Head – Nutrition. Ms. Saylee Pradhan holds a Master's degree in Microbiology from Mumbai University. She has over 22 years' of experience in the field of Research & Development. She is working with us since October 1, 1991. As Manager - R&D, she is responsible for handling complex and multi-faceted analytical enzyme testing methods. She is responsible for product development catering to diverse industries like bakery and food industries, textile processing, leather processing, brewery and distillery among others. Her annual remuneration in the fiscal 2012 was ₹ 12,00,000/-;

(vii) **Dr. Anil Kumar Gupta**, aged 47 years, is our General Manager – PMD. Mr. Anil Gupta holds a Master's degree in Microbiology and PhD in Bioscience from Jabalpur University. He is working with us since February 1, 1996. He has over 18 years' research experience on microbial enzymes and fermentation technology. He joined our Company in February, 1996. Prior to joining our Company, he worked at the Department of Microbiology, R. D. University, Jabalpur as a Research Associate. As the General Manager of our Nasik R&D facility, he is responsible for the development, assimilation and scale-up of fermentation technologies for production of enzymes. His annual remuneration in the fiscal 2012 was ₹ 23,60,484/-;

(viii) **Mr. Pradip Bhosale**, aged 44 years, is our Manager – Projects. Mr. Pradip Bhosale holds a Diploma in Business Management from University of Pune. He is working with us since June 1, 1994. He was instrumental in setting and commissioning of Phase I of our Pithampur formulation plant. Prior to joining our Company, he has experience with Aryan Pesticides Limited and Rajgad Sahakhari Sakhar Karkhana Limited. He is currently, the Manager-Projects of our Company. His annual remuneration in the fiscal 2012 was ₹ 9,78,210/-;

(ix) **Mr. Bhaskar Manolkar**, aged 54 years, is our General Manager – HR and Administration. Mr. Bhaskar Manolkar holds a Diploma in Mechanical Engineering from the Board of Technical Examinations, Maharashtra and a Master's degree in Business Administration from Yashwantrao Chavan Maharashtra Open University, Nashik. He is working with us since 1st April, 2003. He is currently, the General Manager-HR & Admin of our Company. His annual remuneration in the fiscal 2012 was ₹ 12,55,720/-; and

(x) **Mr. Kumar Krishnamurty Navile**, aged 42 years, holds a Bachelor of Electronics in Instrumentation Technologies from the University of Mysore. He has 17 years' experience in the marketing field of the chemicals and enzyme industry. Prior to joining our Company, he has worked with (i) DSM Nutritional Products India Private Limited as the Key Accounts Manager from January, 2011 to November, 2011; (ii) Novozymes South Asia Private Limited as the Sales Manager from 1997 – 2002, Marketing Manager from 2003 – 2008 and Industry Sales Manager from 2008 – 2010; (iii) SM Diagnostics Private Limited as the Senior Area Manager from 1996 – 1997 and (iv) Chayagraphics as the Sales Engineer from 1994 - 1996. He is Business Head of the Bio-processing Division and has been working with us since February, 2012. His remuneration in the fiscal 2012 was ₹ 2,26,053/-.

Notes:

1. All the key managerial personnel mentioned above are permanent employees of our Company and none of them are related to each other or to any Director of our Company except Mr. Piyush Rathi, who is the son of Mr. Chandrakant Laxminarayan Rathi and Mrs. Savita Rathi and nephew of Mr. Vasant Laxminarayan Rathi (and therefore also related to Mr. Mukund Madhusudan Kabra as well).

2. There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned personnel have been recruited.

3. As on the date of filing of this DRHP, our Company does not have a performance linked bonus or a profit sharing plan with the key management personnel.

4. No non-salary-related payments or benefits have been made to our key management personnel other than (i) the shares issued by way of employee stock options and (ii) certain performance-linked incentives which were paid by the Company in the past, to its key managerial personnel based on targets achieved and general performance.

Shareholding of Key Managerial Personnel

Other than the following, none of our Key Management Personnel holds Equity Shares in our Company as on the date of filing of this Draft Red Herring Prospectus: -

Sr. No.	Name of the Key Managerial Personnel	No. of Equity Shares (Face Value of ₹ 10 each)	Percentage of pre-issue share capital (%)
1.	Mr. Piyush Rathi	38,600	0.18
2.	Mr. Beni Rauka	48,000	0.22
3.	Mr. Dipak Roda	26,400	0.12
4.	Ms. Shilpa Risbud	16,400	0.08
5.	Ms. Saylee Pradhan	17,000	0.08
6.	Mr. Anil Kumar Gupta	49,000	0.23
7.	Mr. Pradip Bhosale	12,800	0.06
8.	Mr. Bhaskar Manolkar	10,500	0.05
9.	Mr. Sandeep Bijamwar	1,500	0.01
Total		**2,20,200**	**1.01**

Changes in the Key Managerial Personnel during last three years:

Following have been the changes in the key managerial personnel during the last three years:

Sr. No.	Name	Date of Joining	Date of Leaving	Reasons
1.	Mr. Sandeep Bijamwar	1st May, 2010	-	Appointment
2.	Mr. Kumar Krishnamurthy Navile	1st February, 2012	-	Appointment
3.	Dr. Sambasivarao Javvadi	-	27th July, 2011	Resignation
4.	Ms. Sunita Ranade	-	15th March, 2012	Resignation
5.	Ms. Jyoti Ramchandani	-	24th December, 2012	Resignation

Employees

As on March 15, 2013, our work force consisted of more than 300 employees.

Workers Contract

Our Company and the Workmen employed at Sinnar plant and the Satpur plant represented by Advanced Enzymes Technologies Workers Union entered into a Memorandum of Settlement dated August 30, 2012 for the purpose of laying down terms with respect to the gradation of the employees and compensation like dearness allowances, house rent allowance, education allowance, shift allowance, attendance link bonus, medical allowance, leave entitlement, vehicle allowance, etc. The said Memorandum of Settlement has come into effect from 1st April, 2012 and shall remain in force for a period of 3 years expiring on 31st March, 2015. It shall remain valid until terminated by either party in accordance with provisions of the Industrial Disputes Act, 1947.

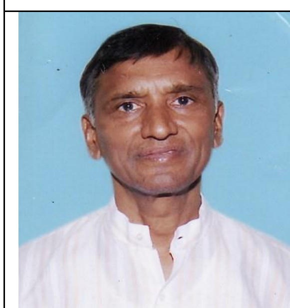
Payment or benefit to our officers

Mr. Vasant Laxminarayan Rathi had transferred 61,900 Equity Shares of the Company by way of gift to Mr. Mukund Kabra (who was holding the Equity Shares on behalf of the ABL Employees Stock Option Trust) on October 22, 2012 and February 4, 2013. Subsequently, barring 900 Equity Shares, all the aforesaid Equity Shares were transferred from Mr. Mukund Kabra to the employees of the Company by way of gift. For further details, please see point no. 6 in the chapter on "Capital Structure" on page 74 of this DRHP.

Except for the above and the payment of monetary and non-monetary benefits as mentioned in this DRHP and the dividend, if any, that may have been declared on the Equity Shares held by our officers, we have not paid any amount or given any benefit to any officer of our Company, nor is such amount or benefit intended to be paid or given to any officer as on the date of filing this Draft Red Herring Prospectus with SEBI.

OUR PROMOTERS, PROMOTER GROUP AND GROUP COMPANIES

The following are the Promoters of our Company:

	Mr. Chandrakant Laxminarayan Rathi, aged 58 years, is the Promoter and Managing Director of our Company. He holds a Bachelors degree in Science (Chemical Engineering) from National Institute of Technology, Rourkela. He has over 30 years of experience in the enzyme industry. He is responsible for the management of the entire operations of the Company, including strategic initiatives of our Company's business. *For further details, please refer to the chapter "Our Management" on page no. 226 of this DRHP.* PAN: ACVPR8194H Passport No: Z1728699 Driving Licence: MH04 19780062532
	Mr. Vasant Laxminarayan Rathi, aged 64 years, is the Promoter and a Non-executive Director of our Company. He holds a Bachelors degree in Pharmacy from Nagpur University and Master of Science degree from University of Hawaii. He has over 38 years of experience in the enzyme industry and heads the international operations of our Company. *For further details, please refer to the chapter "Our Management" on page no. 226 of this DRHP.* PAN: AJUPR8326B Passport No: 037766146 Driving Licence: N5176542 (California)

We confirm that the permanent account number, bank account details and passport number of our promoters will be submitted to BSE and NSE, at the time of filing the Draft Red Herring Prospectus with them.

Further our Promoters have not been identified as willful defaulters by RBI or any other Government authority and there are no violations of Securities Law committed by our Promoters in past or pending against them. Our Promoters are not prohibited from accessing the capital markets and no order or direction has been passed by SEBI or any other regulatory/statutory authority.

Currently, Mr. Chandrakant Laxminarayan Rathi holds 0.02%, and Mr. Vasant Laxminarayan Rathi holds 40.80% of our pre-Issue equity share capital. *For details of the build-up of our Promoters' shareholding in our Company, see "Capital Structure" on page 74 of this DRHP.*

CHANGE IN MANAGEMENT

There was no change in management of our Company during five years immediately preceding the date of filing of this Draft Red Herring Prospectus.

PROMOTER GROUP

Our Promoter Group as defined under Regulations 2(zb)(iv) of the SEBI (ICDR) Regulations, 2009 includes the following individuals and body corporates:

i. Natural Persons

(a) Mr. Chandrakant Laxminarayan Rathi

The following natural persons form part of our Promoter Group as relative of Mr. Chandrakant Laxminarayan Rathi: -

Name	Relationship
Mrs. Savita Rathi	Wife
Mr. Vasant Laxminarayan Rathi	Brother
Mr. Kishor Rathi	Brother
Ms. Mangala Kabra	Sister
Mr. Piyush Rathi	Son
Ms. Radhika Pujara	Daughter
Ms. C. B. Bajaj	Wife's Mother
Mr. B. B. Bajaj	Wife's Father
Ms. Meena Mundra	Wife's Sister
Ms. Shobha Boob	Wife's Sister
Ms. Shaila Kalantri	Wife's Sister
Mr. Pramod Bajaj	Wife's Brother
Mr. Prakash Bajaj	Wife's Brother

(b) Mr. Vasant Laxminarayan Rathi

The following natural persons form part of our Promoter Group as relative of Mr. Vasant Laxminarayan Rathi: -

Name	Relationship
Mrs. Prabha Rathi	Wife
Mr. Chandrakant Laxminarayan Rathi	Brother
Mr. Kishor Rathi	Brother
Ms. Mangala Kabra	Sister
Ms. Rasika Rathi	Daughter
Ms. Reshma Rathi	Daughter
Ms. Rachana Rathi	Daughter
Mrs. Sadabai Narayandas Soni	Wife's Mother
Mr. Narayandas Soni	Wife's Father
Mrs. Sunita Narayandas Soni	Wife's Sister
Mr. Madhusudan Narayandas Soni	Wife's Brother
Mr. Shamsunder Narayandas Soni	Wife's Brother

ii. Body Corporates

Following are the Promoter Group Companies:

A. Companies:

1. Atharva Capital Ventures Private Limited;
2. Advanced Vital Enzymes Limited; and
3. Chandrakant Rathi Finance and Investment Company Private Limited

B. Other entities:

1. Rathi Property LLC
2. C.L. Rathi HUF;
3. Piyush Rathi HUF;
4. Enzymes Association of India
5. Vasant and Prabha Rathi Generation Trust; and
6. Laxminarayan Rathi Bahuuddeshiya Seva Santha

Following are the details of the Promoter Group Companies and Other Entities:

A. Companies:

1. **Atharva Capital Ventures Private Limited**

Atharva Capital Ventures Private Limited was incorporated on 28th July, 1993 under the provisions of Companies Act, 1956 as Super Biochemicals Private Limited in Maharashtra with its registered office at 106, Dhanlaxmi Industrial Estate, Old Agra Road, Thane West 400 601, since incorporation. Pursuant to a special resolution passed at the extra-ordinary general meeting, the name of Atharva Capital Ventures Private Limited was changed from Super Biochemicals Private Limited to its present name Atharva Capital Ventures Private Limited and a fresh certificate of incorporation was issued on 30th March, 2011. Mr. Chandrakant Laxminarayan Rathi, Ms. Radhika Pujara and Mrs. Savita Rathi are the Directors of the company.

It is promoted by Mr. Chandrakant Laxminarayan Rathi and Mrs. Savita Rathi.

It is, *inter-alia*, carrying on the business of investing in, acquiring, holding, underwriting, selling or otherwise dealing in shares, stocks, debenture stocks, bonds, negotiable instruments, securities of any company, Government, public body or authority, Municipal and local bodies, whether in India or abroad. It also carries on the business of an investment company and to invest, buy, sell, transfer, deal in and dispose of any shares, stocks, debentures, whether perpetual or redeemable debentures, stocks, securities of any Government, Local, Authority, Bonds and Certificates.

Our Promoter, Mr. Chandrakant Laxminarayan Rathi is interested in Atharva Capital Ventures Private Limited. Following is the shareholding pattern as on the date of this DRHP: -

Sr. No.	Name of Shareholder	No. of Shares held	% of Shareholding
1.	Mr. Chandrakant Laxminarayan Rathi	66,250	8.53
2.	Mrs. Savita Rathi	30,100	3.88
3.	C. L. Rathi HUF	5,62,850	72.47
4.	Mr. Piyush Rathi	40,000	5.15
5.	Sri Sri Ravishankar Trust	77,500	9.98
	TOTAL	**7,76,700**	**100.00**

Audited Financial information:

(₹in Million)

Particulars	Year Ending March 31, 2010	Year Ending March 31, 2011	Year Ending March 31, 2012
Authorised Capital	20.00	20.00	20.00
Paid-up Equity Capital	7.77	7.77	7.77
Reserves & Surplus	14.14	13.85	15.22
Sales/Income	2.79	0.33	1.66
Profit/(Loss) after tax	2.61	(0.30)	1.37
Earnings per share (₹) (Basic & Diluted)	3.36	(0.38)	(1.76)
Net Asset Value per equity share (₹)	28.21	27.83	29.59

2. **Advanced Vital Enzymes Limited**

Advanced Vital Enzymes Limited was incorporated on 17th February, 2005 under the provisions of Companies Act, 1956 as Advanced Bio-Nutraceuticals Limited with its registered office at 106, Dhanlaxmi Industrial Estate, above Navneet Motors, Gokul Nagar, Thane (West). Pursuant to a special resolution passed at the extra-ordinary general meeting, the name of Advanced Vital Enzymes Limited was changed from Advanced Bio-Nutraceuticals Limited to its present name i.e. Advanced Vital Enzymes Limited and a fresh certificate of incorporation was issued on 23rd September, 2008. With effect from 5th November, 2008 the registered office of Advanced Vital Enzymes Limited was shifted to Sun Magnetica, A- Wing, 5th Floor, LIC Service Road, Louiswadi, Naupada, Thane- 400 604. Mr. Chandrakant Laxminarayan Rathi, Mr. Piyush Rathi, Mr. Mukund Kabra and Mrs. Savita Rathi are the Directors of the company.

It is promoted by our Company, Mr. Chandrakant Laxminarayan Rathi, Mr. Piyush Rathi, Mrs. Savita Rathi, Mr. Mukund Kabra, Mr. Kishor Rathi and Mr. Beni Prasad Rauka.

It is, *inter-alia*, carrying on the business as a developer, processor, manufacturer, solution provider, dealers of all kind of nutraceuticals, herbals, ayurvedic preparations, Enzymes, probiotics, prebiotics, nutrients, anti-oxidants, growth hormones, life-saving drugs, medicine, agro-bio chemicals.

Our Promoter, Mr. Chandrakant Laxminarayan Rathi is interested in Advanced Vital Enzymes Limited. Following is the shareholding of Advanced Vital Enzymes Limited as on the date of this DRHP: -

Sr. No.	Name of Shareholder	No. Of Shares held	% of Shareholding
1.	Advanced Enzyme Technologies Limited though its nominees	19,100	9.36
2.	Chandrakant Rathi Finance and Investment Company Private Limited	77,600	38.04
3.	Ms. Gitanjali Kabra	9,400	4.61
4.	Sri Sri Ravi Shankar Trust	9,400	4.61
5.	Atharva Capital Ventures Private Limited	48,500	23.77
6.	Natural Barter Private Limited	10,000	4.90
7.	C. L. Rathi H.U.F.	15,000	7.35
8.	Piyush Rathi H.U.F	15,000	7.35
	TOTAL	**2,04,000**	**100**

Audited Financial information:

(₹in Million)

Particulars	Year Ending March 31, 2010	Year Ending March 31, 2011	Year Ending March 31, 2012
Authorised Capital	1.0	5.0	5.0
Paid-up Equity Capital	0.94	0.94	2.04
Reserves & Surplus	2.73	(34.32)	(24.85)
Sales/Income	70.18	58.73	67.50
Profit/(Loss) after tax	0.94	(37.99)	1.76
Earnings per share (₹)	9.98	(404.11)	13.86
Net Asset Value per equity share (₹)	39.05	365.06	121.83

3. **Chandrakant Rathi Finance and Investment Company Private Limited**

Chandrakant Rathi Finance and Investment Company Private Limited was incorporated on 19th September, 1994 under the provisions of the Companies Act, 1956 as a private limited company with its registered office at 106, Dhanlaxmi Industrial Estate, Old Agra Road, Thane West 400 601 since incorporation. Mr. Chandrakant Laxminarayan Rathi and Mrs. Savita Rathi are the Directors of the company.

It is promoted by Mr. Chandrakant Rathi and Mrs. Savita Rathi**.**

It is, *inter-alia*, carrying on the business of financiers and to provide finances for any company, body corporate, firms, persons or associations by way of advance, loans, deposits, hire purchase, lease factoring, bill discounting, underwriting and other forms of finance, to finance industrial and other enterprises. It also carries on the business of investment company and for that purpose to invest in land building or property of an kind including gold silver or jewellery ornaments, pearls, precious stones and metals and to invest in, acquire, underwrite, subscribe for, hold shares, bonds, stocks, securities debentures, debentures-stocks issued or guaranteed by ant company constituted and carrying on business in India or elsewhere any Government State Dominions Sovereign Central or provincial Commissioners Port, Trust Public Body or authority supreme Municipal local or otherwise whether in India or elsewhere.

Our Promoter, Mr. Chandrakant Laxminarayan Rathi is interested in Chandrakant Rathi Finance and Investment Company Private Limited. Following is the shareholding of Chandrakant Rathi Finance and Investment Company Private Limited as on the date of this DRHP: -

Sr. No.	Name of Shareholder	No. Of Shares held	% of Shareholding
1.	Mr. Chandrakant Laxminarayan Rathi	1,19,300	12.22
2.	Mrs. Savita Rathi	2,22,100	22.76
3.	Mr. Piyush Rathi	2,63,600	27.01
4.	Ms. Radhika Rathi	18,500	1.90
5.	Atharva Capital Ventures Private Limited	2,45,500	25.16
6.	Sri Sri Ravishankar Trust	1,06,900	10.95
	TOTAL	**9,75,900**	**100**

Audited Financial information:

(₹ in Million)

Particulars	Year Ending March 31, 2010	Year Ending March 31, 2011	Year Ending March 31, 2012
Authorised Capital	19.50	19.50	19.50
Paid-up Equity Capital	9.76	9.76	9.76
Reserves & Surplus	16.20	16.29	18.40
Sales/Income	3.87	0.49	2.56
Profit/(Loss) after tax	3.70	0.09	2.11
Earnings per share (₹)	3.79	0.09	2.17
Net Asset Value per equity share (₹)	26.60	26.69	28.86

4. **Rathi Property LLC**

Rathi Property LLC was incorporated on September 15, 2010 under the Law of the State of California as a Limited Liability Company with its principal place of business at 13591 Yorba Avenue, Chino CA, 91710 since incorporation. It is promoted by Mr. Vasant Rathi, Ms. Rachana Rathi, Ms. Reshma Rathi and Ms. Rasika Rathi. It is involved in the business of real estate.

The ownership structure is as follows:

Sr. No.	Name of Partner	Partnership share
1.	Mr. Vasant Rathi	25%
2.	Ms. Rachana Rathi	25%
3.	Ms. Reshma Rathi	25%
4.	Ms. Rasika Rathi	25%
	TOTAL	**100%**

Audited Financial information:

(In ₹)

Particulars	Year Ending December 31, 2010	Year Ending December 31, 2011	Year Ending December 31, 2012
Total Income	0	155,794	195,569
Profit Before Tax	0	132,156	170,942
Tax Payable	0	0	0
Profit After Tax	0	0	0
Closing Partners' Capital Accounts	0	2,522,865	5,953,807

5. **C. L. Rathi HUF**

C. L. Rathi HUF was formed as a Hindu Undivided Family on 10th June, 1979. Mr. Chandrakant Rathi is the Karta of C. L. Rathi HUF. The HUF holds 4,400 shares of our Company. There is no business being carried out under C. L. Rathi HUF.

6. **Piyush Rathi HUF**

Piyush Rathi HUF was formed as a Hindu Undivided Family on 17th February, 2010. Mr. Piyush Rathi is the Karta of Piyush Rathi HUF. There is no business being carried out under Piyush Rathi HUF.

7. **Enzymes Association of India**

The Enzymes Association of India was formed on 4th Jan, 2013. Mr. C. L. Rathi is the settler of the trust, and the trustees are: Mr. C. L. Rathi, Mr. Piyush Rathi, Mr. Bipin Kumar Sinha, Mr. Satya Swaroop Prasad.

Some of its objectives are:

i. to bring together manufacturers, traders, formulators and consultants in relation to enzymes and spread awareness about the same amongst the general public
ii. to ensure free flow of information between its members on developments related to the regulatory status of enzymes in the country
iii. to support and promote scientific programs and to enhance public and employee health and safety, etc

8. **Laxminarayan Rathi Bahuuddeshiya Seva Sanstha**

Laxminarayan Rathi Bahuuddeshiya Seva Sanstha is a Public Trust. It was formed on 4th November, 2000 and its office is at 756, Azad Chowk, Yeola, Tal Yeola, Dist Nashik, 423 401.

9. **Vasant and Prabha Rathi Generation Trust**

Vasant and Prabha Rathi Generation Trust was formed on 12th December, 2012 in the State of California by Mr. Vasant Rathi and Mrs. Savita Rathi for the benefit of their daughters namely Ms. Rasika Rathi, Ms. Reshma Rathi and Ms. Rachana Rathi.

15,00,000 Equity Shares of the company are being held by Mr. Vasant Rathi on behalf of Vasant and Prabha Rathi Generation Trust.

Interest of Promoters

Our Promoters who are also the Directors of our Company may be deemed to be interested to the extent of fees, if any payable to them for attending meetings of the Board or a committee thereof as well as to the extent of remuneration and reimbursement of expenses payable to them as per the terms of our Articles and relevant provisions of Companies Act. Our Promoter Directors may also be deemed to be interested to the extent of Equity Shares held by them and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares. For further information, please refer to the details under the heading *"Interest of Directors" in Chapter "Our Management" beginning on page 74 of this DRHP.*

Except as stated under the heading "Related Party Transactions" under the section titled "Financial Information" on page 401 in this DRHP, and described in this Draft Red Herring Prospectus, we have not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Red Herring Prospectus in which the Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company.

Further, our Promoters are also directors on the boards of certain Promoter Group entities and they may be deemed to be interested to the extent of the payments made by our Company, if any, to/from these Promoter Group entities. *For the payments that are made by our Company to certain Promoter Group entities, see "Related Party Transactions" beginning on page 401 of this DRHP.*

Related Party Transactions

For details on related party transactions please refer to Related Party Transactions on page 401 of this Draft Red Herring Prospectus.

Payment of Amount or Benefits to our Promoter and Promoter Group during the last two years

Except as mentioned in this Draft Red Herring Prospectus and "Related Party Transactions" on page no. 401 of this DRHP, no amount or benefits were paid or were intended to be paid to our Promoter and Promoter Group during the last two years from the date of filing of this Draft Red Herring Prospectus.

GROUP COMPANIES

Save and except as stated in this section of the Draft Red Herring Prospectus, there are no companies, firms, ventures, etc. promoted by the Promoters except as follows:

A. Companies:

1. Atharva Capital Ventures Private Limited;

2. Advanced Vital Enzymes Limited and

3. Chandrakant Rathi Finance and Investment Company Private Limited

B. Other entities:

1. Rathi Property LLC;

2. C.L. Rathi – HUF;

3. Enzymes Association of India and

4. Vasant and Prabha Rathi Generation Trust.

For further details on the Group Companies, please refer to the section *"Promoter Group"* beginning on page 246 of this DRHP.

Other disclosures:

The equity shares of our Group Companies are not listed on any of the Stock Exchanges and they have not made any public/rights issue in last five years. Further, no action has been taken against these companies by any Stock Exchange or SEBI.

None of our group companies are sick companies within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and are not under the Board for Industrial and Financial Reconstruction. Further, they are not under winding up.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against our Group Companies.

Companies with negative net worth

Except as stated hereinabove, none of our Group Companies have negative Net Worth on date of end of the respective financial years audited and mentioned herein.

Defunct Group Companies

Our Promoters had incorporated a company known as "Rathi Papains Private Limited" on 1st March, 1978. Since, Rathi Papains Private Limited was not conducting any business, an application was made to the Registrar of Companies, Mumbai under the Easy Exit Scheme, 2011 for striking off the name of the company and the same has been struck off by the Registrar of Companies.

Nature and Extent of Interest of Group Companies

(a) In the promotion of our Company

None of our Group Companies have any interest in the promotion of our Company.

(b) In the properties acquired or proposed to be acquired by our Company in the past 2 years before filing the Draft Red Herring Prospectus with SEBI

Our Group Companies do not have any interest in the properties acquired or proposed to be acquired by our Company in the past 2 years before filing the Draft Red Herring Prospectus with SEBI.

(c) Related Business Transactions within the Group Companies and Significance on the Financial Performance of our Company

For details, please see the section titled "*Related Party Transactions*" on page 401 of this DRHP.

Common Pursuits amongst the Group Companies with our Company

The Promoters/ any member of Promoter Group do not have interest in any venture that is involved in any activities similar to those conducted by our Company. Our Promoter Group Company, Advanced Vital Enzymes Limited has some of the objects similar to that of our Company's business. As on the date of filing the Draft Red Herring Prospectus, the aforesaid entity is not carrying any business competing with that of our Company. Our Promoter, Mr Chandrakant Rathi and our Company have entered into a Non-compete Agreement dated March 16, 2013 with the aforesaid Advanced Vital Enzymes Limited in order to avoid the conflict of interest evisaged above.

Sale/Purchase between Group and Promoter Companies

For details, please see the section titled "*Related Party Transactions*" on page 401 of this DRHP.

Companies with which the Promoters have disassociated in the last three years

Name of the entity	Reason for disassociation
Rathi Papains Private Limited	Dissolution/ Striking off

Change in Accounting Policies in the last three years

There has been no change in accounting policies in the last three years except as stated in the chapter titled "*Financial Information*" beginning on page 257 of this DRHP.

Payment of Amount or Benefits to our Group Companies during the Last Two Years

Except as mentioned in "Related Party Transactions" on page 401 of this DRHP, no amount or benefits were paid or were intended to be paid to our Group Companies during the last two years from the date of filing of this DRHP.

DIVIDEND POLICY

Our company does not have a formal dividend policy. The declaration and payment of dividends will be recommended by our Board of Directors and approved by our shareholders, in their discretion, and will depend on a number of factors, including but not limited to our earnings, capital requirements and overall financial position. In addition, our ability to pay dividends may be impacted by a number of factors, including the results of operations, financial condition, contractual restrictions, restrictive covenants under the loan or financing arrangements we may enter into to finance our various projects and also the fund requirements for our projects. For further details, please refer to Annexure [] in the Section titled "*Auditors' Report and Financial Statements*" beginning on page 257 of this Draft Red Herring Prospectus.

The dividends declared by our company in each of the Fiscal 2012, 2011, 2010, 2009 and 2008 as per our restated financial statements are as given below:

	FY2012	**FY2011**	**FY2010**	**FY2009**	**FY2008**
Face value per share (₹)	10.00	10.00	10.00	10.00	10.00
Dividend (₹ mn)	20.73	10.37	10.37	10.37	10.37
Dividend (in ₹ per share)	1.00	0.50	0.50	1.00	1.00
Dividend Tax (₹ mn)	3.36	1.72	1.76	1.76	1.76
Equity Share Capital (₹ mn)	207.31	207.31	207.31	103.66	103.66
Rate of dividend (%)	10%	5%	5%	10%	10%

SECTION VII - FINANCIAL INFORMATION

AUDITORS' REPORT AND FINANCIAL STATEMENTS

Auditors' Report

To,
The Board of Directors
Advanced Enzyme Technologies Limited,
Sun Magnetica, A Wing, 5^{th} Floor,
Near LIC Service Road, Louis Wadi,
Thane (W) 400 604
India

Dear Sirs,

We have examined the restated financial information of **Advanced Enzyme Technologies Limited** (the 'Company') annexed to this report and initialed by us for identification purposes, for the purpose of inclusion in the Draft Red Herring Prospectus (the 'DRHP'). This financial information has been prepared by the management and approved by the Board of Directors of the Company for the purpose of disclosure in the DRHP being issued by the Company in connection with its proposed Initial Public Offering ('IPO').

This financial information has been prepared in accordance with the requirements of:

i) Paragraph B of Part II of Schedule II to the Companies Act, 1956 (the 'Act');

ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the 'SEBI Regulations'), as amended from time to time issued by the Securities and Exchange Board of India ('SEBI') in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments.

This financial information has been extracted by the management from the audited financial statements of the Company for the period ended 30 September 2012 and the years ended 31 March 2012, 2011, 2010, 2009 and 2008.

We have examined such financial information in accordance with the requirements of:

i) The (Revised) Guidance Note on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India ('ICAI'); and

ii) The terms of reference received from the Company requesting us to carry out work in connection with the DRHP being issued by the Company relating to IPO.

A. Financial information as per the Restated Summary Statements of the Company:

1. We have examined the attached Summary Statement of Assets and Liabilities, As Restated (refer Annexure I) of the Company as at 30 September 2012, 31 March 2012, 2011, 2010, 2009 and 2008, the attached Summary Statement of Profits and Losses, As Restated (refer Annexure II) and also the Statement of Cash flows, As Restated (refer Annexure III) for the period ended 30 September 2012 and the years ended 31 March 2012, 2011, 2010, 2009 and 2008 (collectively referred to as 'Restated Summary Statements of the

Company') as prepared by the management and approved by the Board of Directors. These Restated Summary Statements of the Company have been arrived at after making such adjustments and regroupings to the audited financial statements of the Company which are appropriate and are more fully described in the Statement of Notes to Restated Summary Statements of the Company in Annexure IV.

2. The Restated Summary Statements of the Company for the years ended 31 March 2011, 2010, 2009 and 2008 including the adjustments and regroupings discussed above, have been extracted from the audited financial statements of the Company as at and for the years ended 31 March 2011, 2010, 2009 and 2008 which have been audited and reported upon by Mr. N. Kashinath (membership number 36490), representing the then statutory auditor of the Company, M.M.NISSIM AND CO, as a partner. (ICAI Firm Registration number 107122W).
Accordingly reliance has been placed on the financial information examined by them for the said years. The Restated Summary Statements of the Company as at and for the period ended 30 September 2012 and the year ended 31 March 2012 is based on the financial statements of the Company, which have been audited by us.

3. Based on our examination of these Restated Summary Statements of the Company, we state that:
a) The Restated Summary Statements of the Company have to be read in conjunction with the Statement of Notes to Restated Summary Statements of the Company in Annexure IV;

b) The Restated Summary Statements of the Company have been restated with retrospective effect to reflect the accounting policies being adopted by the Company as at September 30, 2012, as stated in the Statement of Notes to Restated Summary Statements of the Company in Annexure IV;

c) The Restated profits have been arrived at after making such adjustments and regroupings as, in our opinion, are appropriate in the year to which they relate as described in the Statement of Notes to Restated Summary Statements of the Company in Annexure IV;

d) There are no qualifications in the auditors' reports for the period ended 30 September 2012 and the years ended 31 March 2012, 2011, 2010, 2009 and 2008 which would require adjustment in the Restated Summary Statements of the Company; and

e) There are no extra-ordinary items other than those disclosed in the Restated Summary Statements of the Company.

B. Other financial information:

4. We have examined the following 'Other financial information' in respect of the period ended 30 September 2012 and the years ended 31 March 2012, 2011, 2010, 2009 and 2008 of the Company, proposed to be included in the DRHP, as prepared by the management and approved by the Board of Directors and annexed to this report:

(i) Statement of Non-Current Investments, As Restated (Annexure V);
(ii) Statement of Loans and Advances, As Restated (Annexure VI);
(iii) Statement of Other Non-Current Assets, As Restated (Annexure VII);
(iv) Statement of Inventories, As Restated (Annexure VIII);
(v) Statement of Trade Receivable, As Restated (Annexure IX);
(vi) Statement of Cash and Bank Balances, As Restated (Annexure X);
(vii) Statement of Long Term Borrowings, As Restated (Annexure XI);
(viii) Statement of Deferred Tax Liabilities (Net), As Restated (Annexure XII);
(ix) Statement of Short Term Borrowings, As Restated (Annexure XIII);
(x) Statement of Trade Payable, As Restated (Annexure XIV);
(xi) Statement of Other Current Liabilities, As Restated (Annexure XV);
(xii) Statement of Provisions, As Restated (Annexure XVI);

(xiii) Statement of Share Capital, As Restated (Annexure XVII);
(xiv) Statement of Reserves and Surplus, As Restated (Annexure XVIII);
(xv) Statement of Contingent Liabilities and Commitments, As Restated (Annexure XIX)
(xvi) Statement of Revenue from operations, As Restated (Annexure XX);
(xvii) Statement of Other Income, As Restated (Annexure XXI);
(xviii) Statement of Cost of Material consumed, As Restated (Annexure XXII);
(xix) Statement of Changes in Inventories of Finished goods and Work in progress, As Restated (Annexure XXIII);
(xx) Statement of Employee Benefit Expense, As Restated (Annexure XXIV)
(xxi) Statement of Finance Cost, As Restated (Annexure XXV);
(xxii) Statement of Depreciation and Amortisation expense, As Restated (Annexure XXVI);
(xxiii) Statement of Other Expenses, As Restated (Annexure XXVII);
(xxiv) Statement of Segment Reporting, As Restated (Annexure XXVIII);
(xxv) Statement of Related Party Transactions, As Restated, As Restated (Annexure XXIX);
(xxvi) Statement of Derivative Instruments and Unhedged Foreign Currency Exposure (Annexure XXX);
(xxvii) Statement of Capitalisation, As Restated (Annexure XXXI);
(xxviii) Statement of Tax Shelter, As Restated (Annexure XXXII);
(xxix) Statement of Dividend Declared, (Annexure XXXIII);
(xxx) Statement of Accounting Ratios, As Restated (Annexure XXXIV);

5. In our opinion, the 'Financial information as per the Restated Summary Statements of the Company' and 'Other financial information' mentioned above for the period ended 30 September 2012 and the years ended 31 March 2012, 2011, 2010, 2009 and 2008 have been prepared in accordance with Part II of Schedule II to the Act and the relevant provisions of the SEBI Regulations.

6. This report should not be in any way construed as a reissuance or a re-dating of any of the previous audit reports issued by us or by any other firm of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

7. We did not perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no such opinion thereon.

8. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

9. This report is intended solely for your information and for inclusion in the DRHP in connection with the IPO of the equity shares of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For **Walker, Chandiok & Co**
Chartered Accountants
Firm Registration No. 001076N

Per **Khushroo B. Panthaky**
Partner
Membership No. F-42423

Place: Mumbai
Date:

SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)

Annexure I

Particulars	Annexure	As at September 30,	As at March 31,				
		2012	2012	2011	2010	2009	2008
A. Non current assets							
Fixed assets							
Tangible assets		1,147.04	475.38	504.86	482.07	513.81	367.26
Capital work in progress		-	591.50	188.44	7.11	0.02	144.42
Intangible assets under Development		-	0.63	1.94	3.24	5.06	1.04
Non-current investments	V	138.61	137.20	48.74	5.26	3.96	5.02
Long term loans and advances	VI	133.39	97.23	212.12	30.75	38.46	38.35
Other non current assets	VII	0.33	0.89	0.02	0.46	0.46	0.47
Total non current assets		1,419.37	1,302.83	956.12	528.89	561.77	556.56
B. Current assets							
Inventories	VIII	224.57	198.22	163.27	234.29	196.52	197.86
Trade receivables	IX	272.37	281.98	216.53	194.87	139.67	112.30
Cash and bank balances	X	32.55	33.42	99.13	7.35	2.57	2.80
Short term loans and advances	VI	81.08	100.58	67.36	68.24	23.62	32.11
Total current assets		610.57	614.20	546.29	504.75	362.38	345.07
C. Non current liabilities							
Long term borrowings	XI	305.62	343.56	368.87	107.85	132.17	157.50
Deferred tax liabilities (net)	XII	96.45	64.18	70.06	62.90	69.47	59.11
Total non current liabilities		402.07	407.74	438.93	170.75	201.64	216.61
D. Current liabilities							
Short term borrowings	XIII	205.14	328.24	267.58	208.23	154.98	183.71
Trade payables	XIV	126.79	167.68	83.93	98.72	78.28	73.71
Other current liabilities	XV	144.75	148.74	63.64	79.42	102.37	91.19
Short term provisions	XVI	11.00	51.69	21.28	12.91	17.12	15.76
Total current liabilities		487.68	696.35	436.43	399.28	352.75	364.37
Net Worth(A+B-C-D)		**1,140.19**	**812.94**	**627.05**	**463.61**	**369.76**	**320.65**
Represented by:							
E. Share capital	XVII	214.29	207.31	207.31	207.31	103.66	103.66
F. Reserves and surplus	XVIII	925.90	605.63	419.74	256.30	266.10	216.99
Net Worth(E+F)		**1,140.19**	**812.94**	**627.05**	**463.61**	**369.76**	**320.65**

Note: The above statement should be read with the Statement of Notes to Restated Summary Statements of the Company in Annexure IV

For Walker ,Chandiok& Co

Chartered Accountants

Place: Mumbai per **Khushroo B. Panthaky**
Date: **Partner**

SUMMARY STATEMENT OF PROFITS AND LOSSES, AS RESTATED

(Amounts in ₹ millions, unless otherwise stated)

Annexure II

Particulars	**Annexure**	**For period ended September 30,**	**For the year ended March 31,**				
		2012	**2012**	**2011**	**2010**	**2009**	**2008**
Revenue							
Revenue from operations	**XX**	710.54	1,129.51	1,113.24	1,070.16	812.29	598.78
Other income	**XXI**	15.02	32.55	14.98	15.74	6.63	4.88
Total revenue		**725.56**	**1,162.06**	**1,128.22**	**1,085.90**	**818.92**	**603.66**
Expenses							
Cost of materials consumed	**XXII**	268.77	395.47	401.32	468.81	320.77	235.23
Changes in inventories of finished goods and work-in-progress	**XXIII**	(9.39)	(38.56)	57.20	7.97	14.73	(39.71)
Employee benefit expenses	**XXIV**	66.96	126.43	107.34	94.92	89.19	76.02
Finance costs	**XXV**	(2.89)	36.98	21.98	29.95	39.03	17.92
Depreciation and amortisation expense	**XXVI**	26.53	52.08	47.55	47.34	46.72	33.31
Other expenses	**XXVII**	208.07	336.38	298.45	300.41	231.02	222.38
Total expenses		**558.05**	**908.78**	**933.84**	**949.40**	**741.46**	**545.15**
Profit before tax and prior period items		167.51	253.28	194.38	136.50	77.46	58.51
Loss of goods in transit (Refer to note 18 of Annexure IV)		-	1.51	-	-	-	-
Profit before tax, as restated		**167.51**	**251.77**	**194.38**	**136.50**	**77.46**	**58.51**
Tax expense							
Current tax		33.70	52.67	26.29	37.09	4.86	4.95
MAT credit entitlement		(23.34)	(5.00)	(14.60)			

Deferred tax			32.26	(5.88)	7.16	(6.57)	10.36	3.57
Fringe benefit tax			-	-	-	-	1.00	0.94
Profit for the year after tax			**124.89**	**209.98**	**175.53**	**105.98**	**61.24**	**49.05**
Net profit as restated			**124.89**	**209.98**	**175.53**	**105.98**	**61.24**	**49.05**

Note: The above statement should be read with the Statement of Notes to Restated Summary Statements of the Company in Annexure IV

For Walker ,Chandiok& Co

Chartered Accountants

Place: Mumbai

per **Khushroo B. Panthaky**

Date:

Partner

STATEMENT OF CASH FLOWS, AS RESTATED

(Amounts in ₹ millions, unless otherwise stated)

Annexure III

Particulars	**For period ended September 30,**	**For the year ended March 31,**				
	2012	**2012**	**2011**	**2010**	**2009**	**2008**
A. CASH FLOW FROM OPERATING ACTIVITIES						
Net profit before tax	167.51	251.77	194.38	136.50	77.46	58.51
Adjustments for:						
Depreciation and amortisation	26.53	52.08	47.55	47.34	46.72	33.31
Loss on impairment	-	5.05	-	-	-	-
Excess provision written back	-	(0.36)	(0.86)	-	(0.15)	(1.20)
Unrealised foreign exchange (gain)/loss	(16.80)	(1.70)	1.18	6.15	11.46	(7.25)
(Gain)/loss on sale of fixed assets		0.16	(0.09)	0.11	0.18	(0.04)
(Profit) on sale of investment	-	-	(0.77)	-	-	-
Diminution In Values Of Share	8.77	-	-	-	-	-
Investment written off	-	-	0.01	-	-	-
Interest income	(5.61)	(14.09)	(5.70)	(0.92)	(2.71)	(0.29)
Interest expense	12.13	32.16	20.68	20.16	25.63	17.67
Bad and doubtful trade receivables written off	-	0.85	-	0.22	0.06	1.64
Allowances for (net of write offs) - bad and doubtful trade receivables	-	-	2.95	0.62	0.78	0.42
Sundry balances written off / (back) net	-	(3.17)	0.43	(0.27)	0.05	(0.12)
Operating profit before working capital changes	**192.53**	**322.75**	**259.76**	**209.91**	**159.49**	**102.65**
Adjustments for:						
(Increase)/Decrease in inventories	(26.35)	(34.95)	71.02	(37.77)	1.36	(28.82)
(Increase)/Decrease in trade receivable	13.76	(63.10)	(24.76)	(56.77)	(26.11)	(18.67)
(Increase) / decrease in short term loans and advances	(7.50)	(30.56)	22.07	(44.20)	7.68	(0.74)
(Increase) / decrease in long term loans and advances	(2.22)	120.34	(201.51)	0.79	7.75	(11.98)
(Increase) / decrease in other non current assets	-	(0.87)	-	-	-	(0.47)
Increase/(Decrease) in trade payable	(41.19)	83.45	(14.70)	20.57	4.57	8.34

Increase / (decrease) in short term liabilities and provisions	(11.36)	(1.73)	9.04	0.80	(1.07)	5.93
			-			
Cash (used in)/generated from operating activities	**117.67**	**395.33**	**120.92**	**93.33**	**153.66**	**53.54**
Income taxes paid	(38.69)	(31.07)	(13.76)	(14.45)	(8.78)	(12.69)
Net cash (used in)/generated from operating activities	**78.98**	**364.26**	**107.16**	**78.88**	**144.88**	**43.55**

(Amounts in ₹ millions, unless otherwise stated)

Particulars	For period ended September 30,	For the year ended March 31,				
	2012	**2012**	**2011**	**2010**	**2009**	**2008**
B. CASH FLOW FROM INVESTING ACTIVITIES						
Purchase of tangible assets	(106.07)	(429.44)	(250.75)	(28.34)	(59.49)	(101.31)
Proceeds from sale of tangible assets	-	0.06	0.44	0.05	0.27	2.02
Purchase of non-current investments	(2.71)	(88.46)	(45.72)	-1.30	-	(0.10)
Proceeds from sale of non-current investments	-	-	-	-	1.06	-
Proceeds from sale of current investments	-	-	3.00	-	-	-
Investment in Fixed Deposit	(2.34)	0.61	(1.05)	0.02	0.56	(0.09)
Interest received	4.27	9.92	4.44	0.87	2.33	0.39
Net cash used in investing activities	**(106.85)**	**(507.31)**	**(289.64)**	**(28.70)**	**(55.27)**	**(99.09)**
C. CASH FLOW FROM FINANCING ACTIVITIES						
Proceeds from issue of share capital	202.36	-	-	-	-	-
proceeds from long term borrowings	-	63.34	232.50	-	-	-
Repayment of long term borrowings	(16.58)	-	-	(55.11)	(22.75)	(15.38)
Proceeds from short term borrowings	-	58.87	62.18	53.26		87.88
Repayment of short term borrowings	(124.88)	-	-	-	(28.72)	0.00
Interest paid	(12.13)	(32.16)	(20.68)	(20.16)	(25.76)	(17.67)
Dividends paid (including dividend tax)	(24.10)	(12.10)	(0.79)	(23.36)	(12.06)	-
Net cash (used in)/generated from financing activities	**24.67**	**77.95**	**273.21**	**(45.37)**	**(89.29)**	**54.83**
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	**(3.20)**	**(65.10)**	**90.73**	**4.81**	**0.32**	**(0.71)**
Opening cash and cash equivalents	**32.98**	**98.08**	**7.35**	**2.54**	**2.22**	**2.93**
Closing cash and cash equivalents*	**29.78**	**32.98**	**98.08**	**7.35**	**2.54**	**2.22**
*** Reconciliation of cash and cash equivalents**						
Cash in hand	0.42	0.78	0.58	0.17	0.28	0.11

Balance with scheduled banks :						
Current account	25.11	29.00	2.21	4.36	1.86	1.50
Fixed deposit account	7.01	4.17	96.00	2.12	0.64	1.03
Other bank balance	0.34	0.35	0.35	1.16	0.25	0.16
	32.88	**34.30**	**99.15**	**7.81**	**3.02**	**2.80**
Less : Fixed deposit not considered as cash equivalents	(3.10)	(1.32)	(1.07)	(0.46)	(0.48)	(0.58)
Cash and cash equivalents	**29.78**	**32.98**	**98.08**	**7.35**	**2.54**	**2.22**
The above Cash and bank balances includes amount kept as liquid assets for the compliance of Companies (Acceptance of public deposits) Rules,1975	2.67	4.17	0.77	0.43	1.64	**0.50**

Note: The above statement should be read with the Statement of Notes to Restated Summary Statements of the Company in Annexure IV

For Walker, Chandiok& Co

Chartered Accountants

Place: Mumbai per **Khushroo B. Panthaky**

Date: **Partner**

STATEMENT OF NOTES TO RESTATED SUMMARY STATEMENTS OF THE COMPANY
(Amounts in ₹ millions, unless otherwise stated)

Annexure IV

1 Background of the Company

Advanced Enzyme Technologies Limited ('the Company') was incorporated on March 15, 1989. The Company is engaged in the business of "Bio-chemicals".

2 Basis of preparation of Summary Statement of Assets and Liabilities, As Restated

The 'Summary Statement of the Assets and Liabilities, As Restated' of the Company as at September 30, 2012, March 31, 2012, 2011, 2010, 2009 and 2008, the 'Summary Statement of Profits and Losses, As Restated' and the 'Summary Statement of Cash Flows, As Restated' for the period/years ended September 30, 2012, March 31, 2012, 2011, 2010, 2009 and 2008 (collectively referred to as ' Restated Summary Statements') have been prepared specifically for the purpose of inclusion in the offer document to be filed by the Company with the Securities and Exchange Board of India ('SEBI') in connection with the proposed Initial Public Offering (hereinafter referred to as 'IPO').

The audited financial statements have been prepared to comply with the Accounting Standards referred to in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government in exercise of the power conferred under sub-section (1) (a) of section 642 and the relevant provisions of the Companies Act, 1956 (the 'Act')

The audited financial statements have been prepared on a going concern basis under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Company unless otherwise stated.

The Restated Summary Statements of the Company have been prepared to comply in all material respects with the requirements of Part II of Schedule II to the Act and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI and as amended from time to time.

3 Use of estimates

The preparation of Restated Summary Statements, in conformity with the generally accepted accounting principles requires management to make estimates and assumption that affect the reported amounts of assets and liabilities, revenue and expenses and disclosure of contingent liabilities. The estimates and assumptions used in accompanying Restated Summary Statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the Restated Summary Statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying Restated Summary Statements. Any revision to accounting estimates is recognised prospectively in current and future periods.

4 Significant accounting policies:

a. Revenue Recognition (AS -9)

i. Revenue is recognised to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured.

ii. Revenue from sale of products is recognised on delivery of the products, when all significant contractual obligations have been satisfied, the property in the goods is transferred for a price, significant risks and rewards of ownership are transferred to the customer/agent and no effective ownership is retained. Sales are inclusive of excise duty and net of sales tax and discounts.

iii. Export incentives received pursuant to the Duty Drawback Scheme are accounted for on an accrual basis to the extent it is probable that realisation is certain.

iv Interest revenue is recognised on a time proportionate basis, taking into account the amount outstanding and the rates applicable.

b. Fixed assets, Depreciation and Amortisation (AS 6, AS 10 and AS 26)

i. Fixed assets, both tangible and intangible are stated at cost of acquisition. Cost includes taxes, duties, freight and other incidental expenses related to acquisition and installation of the assets. Interest on borrowings to finance acquisition of fixed assets during qualifying period is capitalised.

ii. Leasehold improvements represent expenses incurred towards civil work and interior furnishings on the leased premises.

iii. Costs relating to acquisition of technical know-how and software are capitalised as Intangible Assets.

iv. Depreciation on fixed assets other than plant and equipments has been provided on written down value Method and on plant and equipments on Straight Line Method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

v. Leasehold improvements and leasehold land are depreciated over the unexpired primary period of lease except for lease hold land acquired under perpetual lease.

vi. Depreciation on assets not owned by the Company is provided over the period of the economic life of the assets estimated at five years.

vii. Intangible Assets are amortised on a straight line basis over a period of four years.

viii. Individual items of fixed assets capitalised during the year costing up to rupees five thousand each are fully depreciated in the first year.

c. Investments (AS 13)

Investments are classified into long-term investments and current investments. Long-term investments are carried at cost. Provision for diminution in the value of long-term investments is not provided for unless it is considered other than temporary. Current investments are valued at lower of cost and net realisable value.

d. Foreign currency transactions (AS 11)

i. Initial Recognition - Transactions denominated in foreign currencies are recorded at the rates of exchange prevailing on the date of the transaction.

ii. Conversion - Monetary assets and liabilities denominated in foreign currency are converted at the rate of exchange prevailing on the date of the Summary Statement of Assets and Liabilities, As Restated.

iii. Exchange Differences - All exchange differences arising on settlement/conversion on foreign currency transactions are included in the Summary Statement of Profits and Losses, As Restated in the year in which they arise.

e. Derivative instruments (AS 11)

i. The Company limits the effects of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives. The Company enters into forward exchange contracts, where the counterparty is a bank.

ii. As per Accounting Standard ('AS') 11 - The Effects of Changes in Foreign Exchange Rates', the premium or the discount on forward exchange contracts not relating to firm commitments or highly probable forecast transactions and not intended for trading or speculation purpose is amortized as expense or income over the life of the contract. All other derivatives, which are not covered by AS 11, are measured using the mark-to-market principle and losses, if any, are recognised in the Summary Statement of Profits and Losses, As Restated.

f. Impairment of assets (AS 28)

In accordance with Accounting Standard (AS) 28 on 'Impairment of Assets' as notified by the Central Government under the Companies Act, 1956, the carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of the assets or where applicable, that of the cash generating unit to which the asset belongs is estimated as the higher of its net selling price and its value in use. An impairment loss is recognized whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Impairment loss is recognized in the Summary Statement of Profits and Losses, As Restated or against revaluation surplus where applicable.

g. Inventories (AS 2)

i. Inventories of stores, spares, packing materials, raw materials, finished goods and stock in process are valued at lower of cost or net realisable value.

ii. Cost of raw materials, stores, spares and packing materials is determined on first-in-first-out basis except for stock of not ordinarily interchangeable raw materials, which are determined on their specific individual costs. Cost of finished goods and stock in process is determined by considering materials, labour and other related costs incurred in bringing the inventories to their present condition and location.

h. Employee benefits (AS 15-Revised)

i. All short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.

ii. Defined contribution plans

The Company contributes to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 that is a defined contribution plan and contribution paid or payable is recognised as an expense in the period in which the employee renders services.

Superannuation benefits, a defined contribution plan, have been funded with Life Insurance Corporation of India and the contribution is charged to Summary Statement of Profits and Losses, As Restated, when the contribution to the Fund is due.

iii. Defined benefit plans

The Company's liability towards compensated absences, being defined benefit plan, is accounted for on the basis of an independent actuarial valuation done at the year end and actuarial gains/losses are charged to the Summary Statement of Profits and Losses, As Restated.

The Company provides for gratuity benefit, which is a defined benefit plan, covering all its eligible employees. Liability under gratuity plan is determined on actuarial valuation done by Life Insurance Corporation of India (LIC) during the year, based upon which the Company contributes to the scheme with LIC. The Company also provides for the additional liability over the amount determined by LIC based on an actuarial valuation done by an independent actuary as at the balance sheet date.

i. Income taxes (AS 22)

Current tax

Current tax is computed and provided for in accordance with the applicable provisions of the Income Tax Act, 1961.

Deferred tax

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that such deferred tax assets can be realized against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

j. Borrowing costs (AS 16)

Borrowing costs incurred on constructing or acquiring a qualifying asset are capitalised as cost of that asset until it is ready for its intended use or sale. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue and recognised as an expense in the Summary Statement of Profits and Losses, As Restated.

k. Research and development (AS 26)

Research and development costs, incurred for development of products are expensed as incurred, except for development costs that relate to the design and testing of new or improved materials, products or processes which are recognised as an intangible asset to the extent that it is expected that such assets will generate future economic benefits. Capital expenditure on research and development is included as part of fixed assets and depreciated on the same basis as other fixed assets.

l. Provisions and contingencies (AS 29)

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources embodying economic benefits and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

m. Leases (AS 19)

Leases, where the lesser effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Summary Statement of Profits and Losses, As Restated.

n. Earning per share (AS 20)

Basic earnings per share are calculated by dividing the restated net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for event of bonus issue.

For the purpose of calculating diluted earnings per share, the restated net profits or losses for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short term bank deposits with an original maturity of three months or less.

p. Share issue expenses

The share issue expenses will be adjusted against the balance in Securities Premium Account as permitted under Section 78 of the Companies Act, 1956.

5 Change in accounting policy

The Central Government vide notification dated March 31, 2009 has amended Accounting Standard (AS-11) - The effects of changes in Foreign Exchange Rates notified under the Company’s (Accounting Standard) Rules, 2006. The Company has exercised the option stated in paragraph 46 of AS 11 retrospectively from April 1, 2007.

Accordingly, the Company has changed its accounting policy for recognition of Exchange differences arising on reporting of long term foreign currency monetary items, which hither to were charged to the Statement of Profits or Losses, in so far as they relate to the acquisition of depreciable capital assets, are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset. The Company has made the appropriate adjustments on this account in the respective previous years.

6. Impact of adjustment made in audited accounted as shown restated

Below mentioned is the summary of results of adjustments made in the audited accounts of the respective period/years and its impact on profits and losses and assets and liabilities.

Sr. no	Particulars	For the period ended September 30,	For the year ended March 31,				
		2012	2012	2011	2010	2009	2008
i	**Excess Provision written back**						
	Prior to restatement Entry	0.31	1.06	-	-	1.26	1.34
	Restatement Adjustment	(0.31)	(0.70)	0.86	-	(1.11)	(0.14)

	As restated	**-**	**0.36**	**0.86**	**-**	**0.15**	**1.20**
ii	**Other Non - Operating Income**						
	Prior to restatement Entry	7.77	14.10	2.14	2.94	1.46	0.36
	Restatement Adjustment	-	(2.51)	(0.49)	1.02	0.99	0.99
	As restated	**7.77**	**11.59**	**1.65**	**3.96**	**2.45**	**1.35**
iii	**Depreciation/ amortisation**						
	Prior to restatement Entry	26.53	52.08	47.51	47.30	46.68	33.27
	Restatement adjustment	-	-	0.04	0.04	0.04	0.04
	As restated	**26.53**	**52.08**	**47.55**	**47.34**	**46.72**	**33.31**
iv	**Finance Cost**						
	Prior to restatement Entry	(2.89)	36.98	21.83	29.95	39.03	10.68
	Restatement adjustment	-	-	0.15	-	-	7.24
	As restated	**(2.89)**	**36.98**	**21.98**	**29.95**	**39.03**	**17.92**
v	**Provision for Doubtful Debts**						
	Prior to restatement Entry	1.30	1.65	1.83	1.56	-	-
	Restatement adjustment	(1.30)	(1.65)	1.12	(0.94)	0.78	0.42
	As restated	**-**	**-**	**2.95**	**0.62**	**0.78**	**0.42**
vi	**Bad Debts Written off**						
	Restatement Adjustment Entry	0.06	0.85	-			-
	Restatement adjustment	(0.06)	-	-	0.22	0.06	1.64
	As restated	**-**	**0.85**	**-**	**0.22**	**0.06**	**1.64**
vi	**Legal and Professional Expenses**						
	Prior to restatement entry	20.59	33.68	43.35	40.90	46.37	32.10
	Restatement adjustment	-	-	-	0.13	-	-
	As restated	**20.59**	**33.68**	**43.35**	**41.03**	**46.37**	**32.10**
vii	**Miscellaneous expenses**						
	Prior to restatement Entry	5.09	11.08	6.48	5.83	7.79	7.68
	Restatement adjustment	(0.46)	(4.85)	(1.30)	7.20	0.87	0.34
	As restated	**4.63**	**6.23**	**5.18**	**13.03**	**8.66**	**8.02**
viii	**Prior Period item**						
	Prior to restatement Entry	-	0.24	-	-	-	-
	Restatement adjustment	-	(0.24)	-	-	-	-
	As restated	**-**	**-**	**-**	**-**	**-**	**-**
	(Refer Note 1)						
	Total Impact of Restatement Adjustment	**1.50**	**3.54**	**0.36**	**(5.62)**	**(1.86)**	**(8.83)**
	Tax Rate	32.45%	32.45%	33.22%	33.99%	33.99%	33.99%
ix	**Income Tax**						
	Prior to restatement Entry	42.13	40.64	18.73	32.97	12.43	13.13
	Restatement adjustment	-	-	-	(0.54)	4.42	0.67
	Tax impact on restatement item	0.49	1.15	0.12	(1.91)	(0.63)	(3.00)
	Income tax, As Restated	42.62	41.79	18.85	30.52	16.22	9.46
	Profit before tax						
	Prior to Restatement	166.00	248.21	194.05	142.12	79.29	67.36
	Restatement adjustment	-	-	-	(0.54)	4.42	(0.67)
	Other adjustment – (rounding off)	0.01	0.02	(0.03)	-	0.03	(0.02)
	Profit before tax, As Restated	**167.51**	**251.77**	**194.38**	**136.50**	**77.46**	**58.51**
	Profit after tax, As Restated	**124.89**	**209.98**	**175.33**	**105.98**	**61.24**	**49.05**

7 Restatement adjustment

i During the previous years, the Company had incurred certain preliminary expenditure which was getting amortised over a period of five years and the same has been disclosed as "Unamortised expense" in the Statement of Assets and Liabilities. Pursuant to the applicability of the notified Accounting Standard 26, 'Intangible assets', all preliminary expenses need to be charged to the Statement of Profits and Losses, in the year in which they are incurred. Accordingly, the carrying amount of unamortised expenditure forming part of the Statement of Assets and Liabilities as on March 31, 2008 and not charged to Summary Statement of Profits and Losses, As Restated has now been charged off in the year of incurrence. Further, the opening retained earnings as at April 1, 2007 has been adjusted to reflect the impact of the items pertaining prior to March 31, 2007.

ii During the previous year 2007-08, the Company has incurred foreign exchange gain on ECB loan which was credited under Finance Cost in Statement of Profits and losses, As restated. The Central Government vide notification dated March 31, 2009 has amended Accounting Standard (AS -11) - The effect of changes in foreign exchange rate notified under the Companies (Accounting Standard) Rule, 2006. The Company has exercised the option stated in paragraph 46 of AS -11 retrospectively from April 1, 2007.

In view of circular G.S.R -225(E) issued by MCA, foreign exchange gain has been adjusted to carrying cost of assets and effect has been given to opening reserve and surplus in the year ended March 2009. Accordingly, the carrying cost of tangible assets and finance cost has been restated by such foreign exchange gain in the statement of Profits and Losses, As Restated for the year ended March 31, 2008.

iii During the year ended March 31, 2012, the Company had accounted certain prior period expenditure which was pertaining to earlier years which includes reduction of Sales Tax liability of ₹ 1.03 million determined through sales tax assessment order for the year 2003-04 during the financial year 2010-11. The same was being disclosed as "Prior Period" in the Statement of Profits and Losses, As Restated. All prior period expenses need to be charged to the Summary Statement of Profits and Losses, As Restated in the year in which they are incurred. Accordingly, all the expenses pertaining to year ended March 31, 2011, 2010, 2009 and 2008 has been charged off to respective year in Summary Statement of Profits and Losses, As Restated. Further, the opening retained earnings as at April 1, 2007 has been adjusted to reflect the impact of the items pertaining prior to March 31, 2007.

iv During the period ended September 30, 2012 and year ended March 31, 2012, 2011, 2010, 2009 and 2008, certain taxes have been accounted for pertaining to earlier years based on intimations/ orders received from Income-tax authorities. For the purpose of the Restated Summery Statements, such items have been appropriately adjusted to the respective years to which they relate. Further, opening retained earnings as at April 1, 2007 has been adjusted to reflect the impact of such items incurred prior to March 31, 2007.

8 Material reclassifications/adjustments

Appropriate reclassifications/adjustments have been made in the summary of Assets and Liabilities, As Restated, Summary of Profits and Losses, As Restated and Statement of Cash Flows, As Restated, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financial statements of the company for the period ended September 30, 2012 and the requirements of the SEBI regulations. Material reclassifications/ adjustments made are as under:

i During the year ended 31 March 2012, the Revised Schedule VI notified under the Companies Act, 1956 , has become applicable to the Company for the preparation and presentation of its financial statements, accordingly previous years' figures have been re-grouped/re-classed wherever applicable.

ii Upto the year ended March 31,2011, unrealised gain or loss on foreign currency transaction and translation pertaining to borrowing as on balance sheet date was disclosed under "Administrative and general expenses" or "Other Income" as Net loss / Gain on foreign currency transaction and translation as against disclosing separately under Finance Cost.

Accordingly, this has been appropriately disclosed separately under Finance Cost in respectively Consolidated Summary of Statement of Profits and Losses, As Restated.

9 Capitalisation of expenditure

The Company has capitalised the following expenses of revenue nature to the cost of fixed asset/ capital work in progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Company.

	For period ended September 30,	For the year ended March 31,				
	2012	2012	2011	2010	2009	2008
Salaries, wages and bonus	5.69	9.54	3.44	-	3.70	3.70
Power and fuel	21.06	8.94	-	-	1.04	1.04
Carriage inward and freight	-	0.81	-	-	0.49	0.49
Water charges	1.01	0.81	-	-	0.29	0.29
Rates and taxes	-	0.60	-	-	1.01	1.01
Legal and professional fees	-	0.75	-	-	3.15	3.15
Travel, conveyance and car hire	0.27	0.81	-	-	0.55	0.55
Miscellaneous expenses	2.92	0.89	-	-	3.58	5.19
Finance costs	35.93	60.83	0.66	-	13.39	13.26
Rent	-	-	-	-	0.80	0.80
Communication Expenses	-	-	-	-	0.15	0.15
Insurance	-	-	-	-	0.02	0.02
Depreciation on Fixed Assets	-	-	-	-	1.18	1.18
	66.88	83.98	4.10	-	29.35	30.83
Less: Interest income	-	2.53	2.76	-	-	-
	66.88	**81.45**	**1.34**	**-**	**29.35**	**30.83**

10 Research and development

The Company has incurred the following revenue expenditure on research and development activities during the year:

	For period ended September 30,	For the year ended March 31,				
	2012	2012	2011	2010	2009	2008
Laboratory expenses and consumables	4.49	6.43	6.07	3.30	2.09	5.12
Employee Benefit Expenses	11.08	22.50	21.43	18.02	13.79	14.01
Legal and Professional Charges	11.13	21.01	29.31	30.51	36.38	19.44
Electricity	1.99	5.11	3.39	-	-	-
Rent Rates and Taxes	2.30	4.35	4.66	-	-	-
Repair and Maintenance	1.31	3.20	1.63	1.92	2.12	1.38
Travelling and Conveyance Expenses	0.55	0.79	1.39	-	-	-
Other expenses	0.97	1.15	1.22	10.09	9.62	7.43
Depreciation		6.82	4.38	3.66	3.31	2.99
	33.82	**71.36**	**73.48**	**67.50**	**67.31**	**50.37**

		For period ended September 30,	For the year ended March 31,				
		2012	**2012**	**2011**	**2010**	**2009**	**2008**
11	**Earnings in foreign currency on accrual basis**						
	Export value of goods on FOB basis	274.01	508.77	419.96	286.92	199.28	95.60
	Other income						
	Non operating income	7.50	4.16	1.60	0.72	0.21	-
12	**Expenditure in foreign currency on accrual basis**						
	Travelling and conveyance	1.81	2.20	2.50	1.76	1.65	1.10
	Interest and finance charges	9.82	19.09	0.76	2.54	3.89	6.74
	Legal and professional fees	6.16	17.45	18.07	20.22	13.01	9.39
	Sales promotion and advertisement	2.78	3.00	2.32	2.72	0.23	0.86
	Commission	1.33	5.31	4.47	-	-	-
	Salary	-	-	-	0.37	0.79	-
	Technical know how	-	-	-	-	4.67	-
	Others	-	0.01	0.15	0.80	0.88	0.29
13	**Value of imports on CIF basis**						
	Raw materials	103.75	116.97	136.57	232.38	120.74	79.96
	Components and spare parts	15.66	13.95	7.88	4.18	4.66	6.38
	Capital goods	0.30	18.88	35.79	0.25	0.87	4.59
14	**Imported and indigenous consumption**						
	Raw materials and components						
	- Imported						
	- Amount	111.31	129.86	149.83	231.33	114.67	89.91
	- Percentage	41%	33%	37%	49%	36%	38%
	- Indigenous						
	- Amount	157.46	265.61	251.49	237.48	206.10	145.32
	- Percentage	59%	67%	63%	51%	64%	62%
	- Total						
	- Amount	**268.77**	**395.47**	**401.32**	**468.81**	**320.77**	**235.23**
	- Percentage	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
	Stores and spares						
	- Imported						
	- Amount	13.88	14.49	2.77	6.49	6.59	5.04
	- Percentage	47%	41%	10%	24%	55%	15%
	- Indigenous						
	- Amount	15.52	20.77	23.73	20.74	5.34	28.36
	- Percentage	53%	59%	90%	76%	45%	85%

	- Total						
	- Amount	**29.40**	**35.26**	**26.50**	**27.23**	**11.93**	**33.40**
	- Percentage	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
15	**Payments to auditors**						
	As auditor						
	Statutory audit	1.20	1.00	0.18	0.18	0.15	0.17
	Tax audit	-	-	0.03	0.03	0.02	0.02
		-	**1.00**	**0.21**	**0.21**	**0.17**	**0.19**
	Other services	**-**	-	0.32	0.01	0.02	-
		1.20	**1.00**	**0.53**	**0.22**	**0.19**	**0.19**
16	**Dividend remitted in foreign currency**						
	Period to which is relates	2011-12	2010-11	-	2008-09 and 2009-10	2007-08	-
	Number of non - resident shareholders	3	3	-	3	3	-
	Number of equity shares held on which dividend was due	10.18	10.18	-	4.96	4.96	-
	Amount remitted	5.54	5.09	-	9.93	4.96	-

17 Earnings per share

The basic earnings per equity share are computed by dividing the net profit attributable to the equity shareholders for the year/period by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of equity shares, which may be issued on the conversion of all dilutive potential shares, unless the results would be anti dilutive. The earnings per share are calculated as under:

Particulars	**For the period ended September 30,**	**For the year ended March 31,**				
	2012	**2012**	**2011**	**2010**	**2009**	**2008**
Net Profits / (losses), As Restated after tax available for equity shareholder	124.89	209.98	175.53	105.98	61.24	49.05
Weighted average number of equity shares outstanding during the year / period (after considering the Bonus shares issued on March 15, 2010)	20.97	20.73	20.73	20.73	20.73	20.73
Nominal value of shares	10	10	10	10	10	10
Earnings per share, As Restated	5.96	10.13	8.47	5.11	2.95	2.37

18 Loss of goods in transit

During the year ended March 31, 2012, a carrier carrying the sale consignment of the Company met with a road accident. The resultant loss due to this event was ₹ 1.51million which was recovered through the insurance claim.

STATEMENT OF NON -CURRENT INVESTMENT, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)

Annexure V

Particulars	As at September 30,	As at March 31,				
	2012	2012	2011	2010	2009	2008
Non - current investment, trade, unquoted						
In Subsidiary Company						
Advanced Bio-Agro Tech Limited - Equity shares of ₹ 10 each fully paid up	0.60	0.60	0.60	0.60	0.60	0.60
Advanced Enzytech Solutions Limited - Equity shares of ₹ 10 each fully paid up	1.57	0.60	0.60	0.50	0.50	-
Advanced Enzymes Fareast Limited - Equity shares of HKD 1 each fully paid up	1.30	1.30	1.30	1.30	-	-
Advanced Bio-Pro Solutions Limited - Equity shares of ₹ 10 each fully paid up	0.50	0.50	0.50	-	-	-
Advanced Enzymes, USA - Equity shares of USD 1,000 each fully paid up	133.58	133.58	45.12	-	-	-
Advanced Vital Enzymes Limited - Equity shares of ₹ 10 each fully paid up	-	-	-	2.80	2.80	2.80
Share Application money with Advanced Vital Enzymes Limited.	-	-	-	-	-	1.56
Advanced Enzymes B.V., Netherlands Equity shares of ₹ 10 each fully paid up	1.74	-	-	-	-	-
Less Provision for diminution	(1.30)	-	-	-	-	-
	137.99	136.58	48.12	5.20	3.90	4.96
Investments in equity instruments - (trade)						
Advanced Vital Enzymes Limited - Equity shares of ₹10 each fully paid up	0.57	0.57	0.57			
Investments in equity instruments - (non - trade)						
Vyapari Sahakari Bank Limited - Equity shares of ₹25 each fully paid up	-	-	-	0.01	0.01	0.01
Bombay Mercantile Co-op. Bank Limited. - Equity shares of ₹ 30 each fully paid up	0.05	0.05	0.05	0.05	0.05	0.05
	138.61	**137.20**	**48.74**	**5.26**	**3.96**	**5.02**

STATEMENT OF LOANS AND ADVANCES AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)

Annexure VI

Particulars	As at September 30,		As at March 31,									
	2012		2012		2011		2010		2009		2008	
	Long term	Short term	Long term	Short term	Long term	Short term	Long term	Short term	Long term	Short term	Long term	Short term
Loans and advances *(Unsecured, considered good)*												
Capital advances												
- Unsecured, considered good	11.66	-	6.70	-	119.78	-	13.37	-	6.01	-	5.49	-
- Doubtful	1.30	-	1.30	-	1.30	-	-	-	-	-	-	-
Allowances for bad and doubtful advances	(1.30)		(1.30)		(1.30)	-	-	-	-	-	-	-
	11.66	-	6.70	-	119.78	-	13.37	-	6.01	-	5.49	-
Security deposits:												
Others	12.60	1.60	11.77	1.60	7.91	-	6.26	-	6.42	-	6.40	-
Loans and advances to :												
Related parties	51.05	33.69	57.39	44.16	69.18	15.43	-	51.52	-	6.15	-	4.90
Loan to employees	-	0.47	-	0.63	-	0.46	-	0.21	-	0.47	-	0.35
Advances recoverable in Cash or in kind or for value to be received	24.13	32.90	21.37	25.60	15.25	20.20	11.12	4.43	11.35	10.18	13.15	17.18
Advance income tax (net of provisions)	33.95	3.58	-	24.17	-	24.17	-	-	14.68	-	13.31	-
Balance with excise Authorities	-	8.14	-	4.42	-	7.10	-	12.08	-	6.82	-	9.68
Share application money pending allotment from Advanced Enzymes Fareast Limited	-		-	-	-	-	-	-	-	-	-	-
- Unsecured, considered good	-	0.70	-	-	-	-	-	-	-	-	-	-
- Doubtful	-	7.47	-	-	-	-	-	-	-	-	-	-
	-	8.17	-	-	-	-	-	-	-	-	-	-
Less: Allowances for bad and doubtful advances	-	7.47	-	-	-	-	-	-	-	-	-	-
	-	0.70	-	-	-	-	-	-	-	-	-	-
	133.39	**81.08**	**97.23**	**100.58**	**212.12**	**67.36**	**30.75**	**68.24**	**38.46**	**23.62**	**38.35**	**32.11**

STATEMENT OF OTHER NON CURRENT ASSETS, AS RESTATED

(Amounts in ₹ millions, unless otherwise stated)

Annexure VII

Particulars	As at September 30	As at March 31,				
	2012	2012	2011	2010	2009	2008
Non-current bank balances (refer Annexure X)	0.33	0.89	0.02	0.46	0.46	0.47
	0.33	**0.89**	**0.02**	**0.46**	**0.46**	**0.47**

STATEMENT OF INVENTORIES, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)

Annexure VIII

Particulars	As at September 30,	As at March 31,				
	2012	2012	2011	2010	2009	2008
Raw materials (includes goods in transit)	114.03	100.87	102.51	121.11	75.70	64.00
Work-in-progress	73.65	53.27	31.47	69.43	84.14	91.56
Finished goods - own manufactured	16.94	27.32	10.62	31.19	24.92	35.20
Stores and spares	19.95	16.76	18.67	12.56	11.76	7.10
	224.57	**198.22**	**163.27**	**234.29**	**196.52**	**197.86**

STATEMENT OF TRADE RECEIVABLES, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)

Annexure IX

Particulars	As at September 30,	As at March 31,				
	2012	2012	2011	2010	2009	2008
(Unsecured, considered good) **Debts outstanding for a period exceeding six months from the date they are due for payment**						

Unsecured considered good	0.86	18.05	5.93	2.72	4.27	4.71
Doubtful	1.73	1.73	1.73	1.28	0.88	0.31
	2.59	19.78	7.66	4.00	5.15	5.02
Less Allowances for bad and doubtful debts	1.73	1.73	1.73	1.28	0.88	0.31
	0.86	18.05	5.93	2.72	4.27	4.71
Other debts						
Secured, considered good	0.18	0.18	0.35	3.05	6.01	3.23
Unsecured considered good	271.33	263.75	210.25	189.10	129.39	104.36
	272.37	**281.98**	**216.53**	**194.87**	**139.67**	**112.30**

STATEMENT OF CASH AND BANK BALANCES, AS RESTATED

(Amounts in ₹ millions, unless otherwise stated)

Annexure X

Particulars	**As at September 30,**	**As at March 31,**				
	2012	**2012**	**2011**	**2010**	**2009**	**2008**
Cash and cash equivalents						
Cash in hand	0.42	0.78	0.58	0.17	0.28	0.11
Balances with banks in current accounts	25.11	29.00	2.21	4.36	1.86	1.50
Deposits with maturity upto three months	3.91	2.86	94.94	1.66	0.16	0.45
	29.44	32.64	97.73	6.19	2.30	2.06
Other bank balances						
Unpaid dividend account	0.34	0.35	0.35	1.16	0.25	0.16
Fixed deposits with maturity more than three months but less than twelve months	2.77	0.43	1.05	-	0.02	0.58
Fixed deposits with maturity of more than twelve months	0.33	0.89	0.02	0.46	0.46	0.47
Total	32.88	34.31	99.15	7.81	3.03	3.27
Less : Amounts disclosed as other non-current asset (refer Annexure VII)	(0.33)	(0.89)	(0.02)	(0.46)	(0.46)	(0.47)
	32.55	**33.42**	**99.13**	**7.35**	**2.57**	**2.80**
The above Cash and bank balances includes amount kept as liquid assets for the compliance of Companies (Acceptance of public deposits) Rules,1975	**2.67**	**4.17**	**0.77**	**0.43**	**1.64**	**0.50**

STATEMENT OF LONG TERM BORROWINGS, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)

Annexure XI

Particulars	**As at September 30,**		**As at March 31,**									
	2012		**2012**		**2011**		**2010**		**2009**		**2008**	
	Non current portion	**Current Maturities**	**Non current portion**	**Current Maturities**	**Non current portion**	**Current Maturities**	**Non current portion**	**Current Maturities**	**Non current portion**	**Current Maturities**	**Non current portion**	**Current Maturities**
Secured **Term loans**												
From banks	223.61	99.05	264.20	94.30	269.16	6.25	7.81	35.81	47.22	61.17	74.36	48.14
Finance lease obligations - Vehicle loans	5.18	2.06	6.27	2.28	8.32	2.26	1.38	0.93	1.50	1.01	2.51	1.17
Sub-total	**228.79**	**101.11**	**270.47**	**96.58**	**277.48**	**8.51**	**9.19**	**36.74**	**48.72**	**62.18**	**76.87**	**49.31**
Unsecured **Fixed deposits**												
- From directors	8.01	-	1.37	-	8.85	-	10.21	-	3.77	-	8.25	-
- From relatives of directors	3.64	-	2.30	-	8.04	-	10.19	-	2.38	-	3.65	-
- From other shareholders	2.38	-	2.15	-	2.99	-	4.46	-	1.81	-	3.09	-
- From others	0.98	-	0.68	-	1.06	-	-	-	-	-	-	-
Deferred sales tax payment liabilities	61.82	4.77	66.59	3.86	70.45	3.28	73.80	2.65	75.49	1.83	65.64	1.15
Sub-total	**76.83**	**4.77**	**73.09**	**3.86**	**91.39**	**3.28**	**98.66**	**2.65**	**83.45**	**1.83**	**80.63**	**1.15**
Total	**305.62**	**105.88**	**343.56**	**100.44**	**368.87**	**11.79**	**107.85**	**39.39**	**132.17**	**64.01**	**157.50**	**50.46**
The above amount includes Amount disclosed under the head 'Other Current Liabilities'	-	(105.88)	-	(100.44)	-	(11.79)	-	(39.39)	-	(64.01)	-	(50.46)

STATEMENT OF DEFERRED TAX LIABILITY (NET), AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)

Annexure XII

Particulars	As at September 30,	As at March 31,				
	2012	2012	2011	2010	2009	2008
Deferred tax assets						
Tax impact on restatement adjustment	0.41	0.21	-	-	-	-
Provision for employee benefits	1.13	1.66	-	1.90	-	0.87
Subtotal	**1.54**	**1.87**	**-**	**1.90**	**-**	**0.87**
Deferred tax liabilities						
Depreciation/amortisation	97.99	66.05	70.06	64.80	69.47	59.98
Subtotal	**97.99**	**66.05**	**70.06**	**64.80**	**69.47**	**59.98**
Total	**96.45**	**64.18**	**70.06**	**62.90**	**69.47**	**59.11**

STATEMENT OF SHORT TERM BORROWINGS, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)

Annexure XIII

Particulars	As at September 30,	As at March 31,				
	2012	2012	2011	2010	2009	2008
Secured						
Loans repayable on demand from banks:						
- Demand loan	196.91	308.45	262.45	205.39	144.02	180.39
Sub total	**196.91**	**308.45**	**262.45**	**205.39**	**144.02**	**180.39**
Unsecured						
Fixed deposits						
- From directors	2.20	8.85	1.37	2.41	5.85	1.37
- From relatives of directors	4.10	8.04	2.15	0.23	3.42	1.85
- From other shareholders	1.27	1.94	1.40	0.20	1.69	0.10
- From others	0.41	0.71	0.21	-	-	-
- Loans from related parties	0.25	0.25	-	-	-	-
Sub total	**8.23**	**19.79**	**5.13**	**2.84**	**10.96**	**3.32**
Total	**205.14**	**328.24**	**267.58**	**208.23**	**154.98**	**183.71**

Principal Terms of borrowings

a) **Loans from banks**

S. no.	Bank details/ loan	Rate of interest	Repayment schedule of loans	Prepayment Terms	Security provided
Term loans					
1	DBS Bank Ltd/ USD 6 Million	The applicable SOR plus 1.65% p.a	In 16 equal instalments after a moratorium period of 15 months	Prepayment shall be permitted only in cases of illegality and increased costs and in cases where the borrower gives 15days prior notice that it will repay advances in as amount of a minimum of USD 2 million and in integral multiple of USD 1 million on the last day of any Interest Period. Any prepayment, in whole or in part, will be	1. Pari Pasu charge of movable and immovable fixed assets of the borrower. 2. Personal Guarantee for Mr. C. L. Rathi. (Creation of charge on Movable and Immovable properties to be completed on or before 120 days from the disbursement.)

				subject to swap breakage costs, if any. Any amount prepaid shall be deemed cancelled and becomes unavailable for redrawing.	
2	IndusInd Bank Ltd / INR 75 Million	Interest Rate @ 11.25% per annum	Quarterly instalments of ₹ 70.31 lacs each commencing from July 2012		Pari passu of all the companies’ immovable properties and a charge or plant and machineries, movable assets including spares etc. save and except specified fixed assets exclusively charged in hire purchase agreement and also save and except book debts and stocks for securing working capital facilities. (Books value of fixed assets as on 31.03.2011 is ₹ 1,169 million)

S. no.	Bank details/ loan	Rate of interest	Repayment schedule of loans	Prepayment Terms	Security provided
b)	**Demand loan**				
1	Citibank N.A. / INR 200 Million	interest shall be paid with monthly rest on the last date of each month in each year	Cash Credit - Revolving 360 days Export finance Tenor < 180 days Letter of Credit Tenor < 180 days Buyers Credit Tenor < 180 days	Prepayment penalty at the rate of 2% of sanction amount or principal outstanding whichever is higher, at the description of Citi Bank N.A.	First Pari passu charge on stocks and receivable. Personal guarantee of Mr. C. L. Rathi SLC/BG facilities shall be against 10% cash margins. Second pari-passu charge on all fixed assets of the company, including plant and machinery and factory land & building located at Pitampur. Sinner, Indore & Shahpur, R&D labs at Thane and Corporate Premises at Thane.
2	HDFC Bank Ltd / INR 125 Million	Cash Credit - 10% subject to revision by the Bank Plus Interest tax and any other statutory levy if and when applicable WCDL	Repayable on demand		First pari-passu charge over the entire current assets of the company to be shared on pari passu basis with other working capital bankers. Second pari-passu charge over the entire fixed assets of the company to be shared on a pari passu basis with other working capital

					bankers. Personal Guarantee of promoter Mr. C. L. Rathi, backed by CA certified Net worth statement
3	Yes Bank Ltd / INR 100 Million	YES Bank Prime Leading Bank Rate - 7.5% i.e. Current effective interest rate 9.00%	Repayable on demand		First pari passu charge on current assets of the Borrower. Personal Guarantee of Mr. C.L. Rathi
c)	**Vehicle loans**				
Sr. No	**Bank details/ loan**	**Rate of interest**	**Repayment schedule of loans**	**Prepayment Terms**	**Security provided**
1	ICICI BANK	Fixed Interest rate - 10.35%	40 Outstanding EMIs amounting to ₹ 1,847,356		Secured by the first charge on the vehicle financed by the bank.
2	HDFC BANK CAR LOAN	Fixed Interest rate - 9.01%	26 Outstanding EMIs amounting to ₹ 459,883		Secured by the first charge on the vehicle financed by the bank.
3	TATA CAPITAL LIMITED	Fixed Interest rate - 9.25%	32 Outstanding EMIs amounting to ₹ 468,559		Secured by the first charge on the vehicle financed by the bank.
4	HDFC BANK	Fixed Interest rate - 10.50%	31 Outstanding EMIs amounting to ₹ 332,611		Secured by the first charge on the vehicle financed by the bank.
5	HDFC BANK	Fixed Interest rate - 9.25%	34 Outstanding EMIs amounting to ₹ 581,198		Secured by the first charge on the vehicle financed by the bank.
6	TATA CAPITAL LIMITED	Fixed Interest rate - 9.25%	35 Outstanding EMIs amounting to ₹ 456,660		Secured by the first charge on the vehicle financed by the bank.
7	HDFC BANK	Fixed Interest rate - 9.74%	35 Outstanding EMIs amounting to		Secured by the first charge on

			₹ 478,693		the vehicle financed by the bank.
8	ICICI BANK	Fixed Interest rate - 9.96%	38 Outstanding EMIs amounting to ₹ 3,496,893		Secured by the first charge on the vehicle financed by the bank.
9	HDFC BANK	Fixed Interest rate - 12.50%	47 Outstanding EMIs amounting to ₹ 265,418		Secured by the first charge on the vehicle financed by the bank.

d) **Details of guarantee for each type of borrowings**
Guaranteed by Managing director

Particulars	**As at September 30, 2012**
Term loans From banks	223.61
Loans repayable on demand From banks	196.91

STATEMENT OF TRADE PAYABLES, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)

Annexure XIV

Particulars	As at September 30,	As at March 31,				
	2012	2012	2011	2010	2009	2008
Dues to creditors for goods	2.04	5.48	0.31	1.43	0.58	-
Dues to others	124.75	162.20	83.62	97.29	77.70	73.71
	126.79	**167.68**	**83.93**	**98.72**	**78.28**	**73.71**

Note:
The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMEDA). Accordingly, the disclosure in respect of the amounts payable to such enterprises has been made in the financial statements based on information received and available with the Company. Further in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the MSMEDA is not expected to be material.

STATEMENT OF OTHER CURRENT LIABILITIES, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)

Annexure XV

Particulars	As at September 30,	As at March 31,				
	2012	2012	2011	2010	2009	2008
Current maturities of long term borrowings	99.05	94.30	6.25	35.81	61.17	48.14
Current maturities of finance lease obligations	2.06	2.28	2.26	0.93	1.01	1.17
Unpaid dividends	0.34	0.35	0.36	1.15	0.23	0.17
Provident fund	0.40	0.76	0.37	0.23	0.22	0.25
Statutory dues	12.55	5.47	8.20	9.06	7.79	14.71
Other payables	28.35	36.25	39.19	22.15	20.25	19.95
Advance from customers	2.00	9.33	7.01	10.09	11.70	6.80
	144.75	**148.74**	**63.64**	**79.42**	**102.37**	**91.19**

STATEMENT OF PROVISIONS, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)

Annexure XVI

Particulars	As at September 30,		As at March 31,									
	2012		2012		2011		2010		2009		2008	
	Long term	Short term	Long term	Short term	Long term	Short term	Long term	Short term	Long term	Short term	Long term	Short term
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Leave encashment	-	0.43	-	1.66	-	-	-	1.10	-	2.67	-	1.54
Gratuity	-	-	-	-	-	-	-	1.26	-	-	-	-
Bonus	-	3.05	-	3.45	-	3.31	-	2.59	-	2.32	-	2.09
Provision for taxation (net of advance taxes)	-	7.52	-	22.49	-	5.88	-	7.96	-	-	-	-
Proposed dividend to equity shareholders	-	-	-	20.73	-	10.37	-	-	-	10.37	-	10.37
Dividend tax	-	-	-	3.36	-	1.72	-	-	-	1.76	-	1.76
	-	**11.00**	**-**	**51.69**	**-**	**21.28**	**-**	**12.91**	**-**	**17.12**	**-**	**15.76**

(a)	Employee benefits												
		September 30,2012		March 31,2012		March 31, 2011		March 31, 2010		March 31, 2009		March 31, 2008	
	Change in projected benefit obligation	Amount		Amount		Amount		Amount		Amount		Amount	
	Projected benefit obligation at the beginning of the year	13.28	-	10.86	-	10.88	-	-	7.41	5.58	-	4.28	-
	Service cost	0.67	-	1.12	-	1.09	-	-	1.05	0.73	-	0.65	-
	Interest cost	0.57	-	0.92	-	0.90	-	-	0.61	0.49	-	0.36	-
	Actuarial (gain)/	0.71	-	1.0	-	(1.6	-	-	2.11	0.7	-	0.3	-

	loss			6		2)				5		6	
	Effect of change in estimate (assumptions)	-	-		-		-	-		0.53	-		-
	Benefits paid	(0.19)	-	(0.68)	-	(0.39)	-	-	(0.30)	(0.67)	-	(0.07)	-
	Projected benefit obligation at the end of the period/year	**15.04**		**13.28**		**10.86**		**-**	**10.88**	**7.41**		**5.58**	
	Fair Value of Plan Assets												
	Fair value of Plan Assets at the beginning of the year	13.93	-	12.20	-	9.64	-	-	8.31	5.86	-	4.71	-
	Expected Return on Plan Assets	0.66	-	1.12	-	0.94	-	-	0.77	0.70	-	0.46	-
	Actuarial Gain	-	-	0.07	-	0.11	-	-	0.06	0.00	-	0.03	-
	Employer Contribution	1.71	-	1.22	-	1.90	-	-	0.80	2.42	-	0.73	-
	Benefit Paid	(0.19)	-	(0.68)	-	(0.39)	-	-	(0.30)	(0.67)	-	(0.07)	-
	Fair value of Plan Assets at the end of the year	16.11		13.93		12.20			9.64	8.31		5.86	
	Expense recognised in the Statement of Profit and Loss												
	Service cost	0.67	-	1.12	-	1.09	-	-	1.05	0.73	-	0.65	-
	Interest cost	0.57	-	0.92	-	0.90	-	-	0.61	0.49	-	0.36	-
	Expected returns on plan assets	(0.66)	-	(1.12)	-	(0.94)	-	-	(0.77)	(0.70)	-	(0.46)	-
	Recognized net actuarial (gain)/loss	0.71	-	1.00	-	(1.73)	-	-	2.06	0.75	-	0.33	-
	Additional provision for change in estimate (assumptions)		-		-		-	-		0.26	-		-
	Net costs	**1.29**		**1.92**		**(0.68)**		**-**	**2.95**	**1.53**		**0.88**	
	Assumptions used												

	Discount rate	8.50%		8.50%		8.50%			8.25%	8.00%		8.50%	
	Long-term rate of compensation increase	9.00%		9.00%		9.00%			9.00%	9.25%		9.15%	
	Average remaining life	7.00%		7.00%		7.00%			7.00%	7.00%		6.00%	
	Note:												
	The Company assesses these assumptions with the projected long-term plans of growth and prevalent industry standards.												
		September 30,2012		**March 31,2012**		**March 31, 2011**		**March 31, 2010**		**March 31, 2009**		**March 31, 2008**	
		Amount		Amount		Amount		Amount		Amount		Amount	
	Leave encashment	Long term	Short term	Long term	Short term	Long term	Short term	Long term	Short term	Long term	Short term	Long term	Short term
		(funded)		(funded)		(funded)		(funded)		(unfunded)		(unfunded)	
	Present Value of Obligation at the year end	4.56	0.43	4.47	1.66	3.90	-	-	3.68	-	2.67	-	1.54
	Plan Assets	5.91	-	4.53	-	3.99	-	-	2.58	-	-	-	-
	Net (Assets) / Liability	(1.35)	0.43	(0.06)	1.66	(0.09)	-	-	1.10	-	2.67	-	1.54

STATEMENT OF SHARE CAPITAL, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)

Annexure XVII

Particulars	As at September 30,		As at March 31,					
	2012		2012		2011		2010	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Authorised share capital								
Equity shares of ₹10 each	35.00	350.00	35.00	350.00	35.00	350.00	35.00	350.0
			-		-		-	
Issued, subscribed and fully paid up			-		-		-	
Equity shares of ₹10 each	21.43	214.29	20.73	207.31	20.73	207.31	20.73	207.31

a) Reconciliation of equity share capital

Particulars	As at September 30,		As at March					
	2012		2012		2011		2010	
	Number	Amount	Number	Amount	Number	Amount	Number	Am
Balance at the beginning of the period/year	20.73	207.31	20.73	207.31	20.73	207.31	10.37	10
Add: share issued during the period/year	0.70	6.98	-	-	-	-	-	
Add: bonus shares issued during the period/year			-	-	-	-	10.37	10
Balance at the end of the period/year	21.43	214.29	20.73	207.31	20.73	207.31	20.73	20

i) During the year ended March 31, 2010, the Company allotted 10,365,600 equity shares as fully paid-up by way of bonus to its existing shareholders by capitalisation of ₹ 10.83 millions from securities premium account and ₹ 92.83millions from Statement of Profit and Loss.

ii) During the period ended September 30, 2012, the Company issued 697,800 equity shares at ₹10 each at a premium of ₹ 280 each.

b) Shareholding structure
Shareholders holding more than 5% of the shares of the company

Particulars	As at September 30,		As at March 31,									
	2012		2012		2011		2010		2009		2008	
Equity shares of ₹10 each	Amount	% holding of shares	Amount	% holding of shares	Amount	% holding of shares	Amount	% holding of shares	Amount	% holding of shares	Amount	% holding of shares
Mr Vasant L. Rathi	8.94	41.73%	8.94	43.14%	8.94	43.14%	8.94	43.14%	4.51	43.47%	4.51	43.47 %
Chandrakant Rathi	3.6	16.9	3.6	17.4	3.6	17.4	3.6	17.4	1.8	17.4	1.8	17.45

Finance & Investment Company Private Limited	2	0%	2	7%	2	7%	2	7%	1	5%	1	%
Atharva Capital Ventures Private Limited	2.49	11.63%	2.52	12.17%	2.52	12.17%	2.52	12.17%	1.26	12.17%	1.26	12.12%
Mrs Prabha V. Rathi	1.28	5.99%	1.28	6.19%	1.28	6.19%	1.28	6.19%	0.64	6.19%	0.64	6.19%

c) Details of shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and brought back during the last 5 years to be given for each class of shares
During the financial year 2009-10, the Company has issued 10,365,600 equity shares of ₹ 10 each as bonus shares in the ratio of 1:1. Other than the above mentioned bonus issues, the Company has not issued any shares without payment being received in cash nor there have been any buy-back of shares in the current year and preceding five years.

d) Terms/Rights attached to shares
The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividends, if any, proposed by Board of Directors is subject to approval by the Shareholders. All shares rank pari passu on repayment of capital in the event of liquidation.

e) During the year ended March 31, 2010, the Company increased its authorised equity share capital from ₹ 150 million comprising of 15,000,000 equity shares of ₹ 10 each to ₹ 350 million comprising of 35,000,000 equity shares of ₹ 10 each.

STATEMENT OF RESERVES AND SURPLUS, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)

Annexure XVIII

Particulars	**As at September 30,**	**As at March 31,**				
	2012	**2012**	**2011**	**2010**	**2009**	**2008**
Reserves and surplus						
Capital reserves						
Balance at the beginning of the period/year	3.00	3.00	3.00	3.00	3.00	3.00
Add : Additions made during the period / year	-	-	-	-	-	-
Less : Deletions made during the period /year	-	-	-	-	-	-
Balance at the end of the period/year	**3.00**	**3.00**	**3.00**	**3.00**	**3.00**	**3.00**
Securities premium reserve						
Balance at the beginning of the period/year	-	-	-	10.83	10.83	10.83
Add : Additions made during the period / year	195.38	-	-	-	-	-
Less : Deletions made during the period / year	-	-	-	10.83	-	-
Balance at the end of the period/year	**195.38**	**-**	**-**	**-**	**10.83**	**10.83**
General reserve						
Balance at the beginning of the period/year	26.53	26.53	26.53	26.53	26.53	26.53
Add : Additions made during the period / year	-	-	-	-	-	-
Less : Deletions made during the period / year	-	-	-	-	-	-
Balance at the end of the period/year	**26.53**	**26.53**	**26.53**	**26.53**	**26.53**	**26.53**
Surplus in the Summary Statement of Profits and Losses						
Balance at the beginning of the period/year	576.10	390.21	226.77	225.74	176.63	139.71
Add : transferred from Summary Statement of profits and losses	124.89	209.98	175.53	105.98	61.24	49.05
Less : Proposed dividend	-	20.73	10.37	10.37	10.37	10.37
Less : Tax on dividends distributed during the year	-	3.36	1.72	1.76	1.76	1.76
Less : utilised for issue of bonus shares	-	-	-	92.83	-	-

Net Surplus in the Summary Statement of profits and losses	**700.99**	**576.10**	**390.21**	**226.77**	**225.74**	**176.63**
Total	**925.90**	**605.63**	**419.74**	**256.30**	**266.10**	**216.99**

STATEMENT OF CONTINGENT LIABILITIES AND COMMITMENTS, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)

Annexure XIX

Particulars	As at September 30,	As at March 31,				
	2012	2012	2011	2010	2009	2008
Claims against the company not acknowledged as debt						
Legal cases	2.68	2.75	3.26	10.94	10.91	0.84
Other money for which the company is contingently liable	-	-	3.76	8 .0	7 .2	-
Estimated amount of contracts remaining to be executed on capital account and not provided for	11.92	6 .0	1 02.0	1 1.46	0 .73	2 .99

STATEMENT OF REVENUE FROM OPERATIONS, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)

Annexure XX

Particulars	For the period ended September 30,	For the year ended March 31,				
	2012	2012	2011	2010	2009	2008
Sale of products						
Export	275.17	521.96	429.28	292.72	203.55	97.99
Domestic	481.44	665.22	746.82	827.98	683.35	581.68
Less : Excise duty	46.07	57.67	62.86	50.54	74.61	80.89
	710.54	**1,129.51**	**1,113.24**	**1,070.16**	**812.29**	**598.78**

<u>Details of products sold</u>

Manufactured goods

- Enzymes	628.24	1,026.15	954.48	805.03	676.60	539.87
- Animal feed supplement	69.55	96.33	126.34	210.42	90.16	44.60
- Micro organisms	5.52	5.01	7.17	6.90	5.74	6.71
- Others	7.23	2.02	25.25	47.81	39.79	7.60
	710.54	**1,129.51**	**1,113.24**	**1,070.16**	**812.29**	**598.78**

STATEMENT OF OTHER INCOME, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)

Annexure XXI

Particulars	**For the period ended September 30,**	**For the year ended March 31,**					**Nature (recurring/ non recurring)**	**Related/ not related to business activity**
	2012	**2012**	**2011**	**2010**	**2009**	**2008**		
Interest income on:								
- others	3.77	8.55	5.70	0.92	0.26	0.13	Recurring	Not related
- loan to subsidiary	1.84	5.54		-	2.45	0.16	Recurring	Not related
Net gain on sale of investments	-	-	0.77	-	-	-	Non- recurring	Not related
Profit on sale of fixed assets (net)	-	-	0.09	-	-	0.04	Non- recurring	Not related
Export incentives	1.64	6.24	5.91	3.26	1.32	0.95	Recurring	Related
Excess provision no longer required written back	-	0.36	0.86	-	0.15	1.20	Recurring	Related
Net gain on foreign currency transactions and translations	-	0.27	-	7.60	-	1.05	Recurring	Related
Other non-operating income	7.77	11.59	1.65	3.96	2.45	1.35	Recurring	Not related
	15.02	**32.55**	**14.98**	**15.74**	**6.63**	**4.88**		
Profit before tax	**167.51**	**251.77**	**194.38**	**136.50**	**77.46**	**58.51**		
% of other income to profit before tax	**8.97%**	**12.93%**	**7.71%**	**11.53%**	**8.55%**	**8.34%**		

Notes:

1 All items classified under other income were earned in the normal course of business.

2 The classification of 'Other income' as recurring or non-recurring is based on the current operations and business activities of the Company, as determined by the management.

STATEMENT OF COST OF MATERIAL CONSUMED, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)

Annexure XXII

Particulars	**For the period ended September 30,**	**For the year ended March 31,**				
	2012	**2012**	**2011**	**2010**	**2009**	**2008**
Raw material consumed (Refer note 14 to Annexure IV)						
Opening stock	100.87	102.51	121.11	75.70	64.00	70.85
Add : purchases during the period/year	281.93	393.83	382.72	514.22	332.47	228.38
Less : closing stock	114.03	100.87	102.51	121.11	75.70	64.00
	268.77	**395.47**	**401.32**	**468.81**	**320.77**	**235.23**

Details of raw materials Consumption

Agricultural produce	15.23	33.51	31.24	21.89	16.56	18.74
Dairy products	41.93	42.41	45.04	34.85	27.71	28.72
Crude enzymes	60.68	82.84	108.64	71.86	11.11	24.75
Others	150.93	236.71	216.40	340.21	265.39	163.02
	268.77	**395.47**	**401.32**	**468.81**	**320.77**	**235.23**

STATEMENT OF CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS,
AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)

Annexure XXIII

Particulars	**For the period ended September 30,**	**For the year ended March 31,**				
	2012	**2012**	**2011**	**2010**	**2009**	**2008**
Closing stock						
- Finished goods - own manufactured	16.94	27.32	10.62	31.19	24.92	35.20
- Work-in-progress	73.65	53.27	31.47	69.43	84.14	91.56
	90.59	80.59	42.09	100.62	109.06	126.76
Opening stock						
- Finished goods - own manufactured	27.32	10.62	31.19	24.92	35.20	35.83
- Work-in-progress	53.27	31.47	69.43	84.14	91.56	52.29
	80.59	42.09	100.62	109.06	126.76	88.12
Differential Excise duty on stocks	0.61	(0.06)	(1.33)	(0.47)	(2.97)	(1.07)
	(9.39)	**(38.56)**	**57.20**	**7.97**	**14.73**	**(39.71)**

STATEMENT OF EMPLOYEE BENEFIT EXPENSE, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)

Annexure XXIV

Particulars	For the period ended September 30,	For the year ended March 31,				
	2012	2012	2011	2010	2009	2008
Salaries, wages and bonus	56.27	108.75	94.81	80.24	77.20	65.17
Contribution to gratuity, provident fund and other funds	5.66	9.03	4.80	8.10	5.79	5.39
Staff welfare expenses	5.03	8.65	7.73	6.58	6.20	5.46
	66.96	**126.43**	**107.34**	**94.92**	**89.19**	**76.02**

STATEMENT OF FINANCE COST, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)

Annexure XXV

Particulars	For the period ended September 30,	For the year ended March 31,				
	2012	2012	2011	2010	2009	2008
Interest expenses	12.13	32.16	20.68	20.16	25.63	17.67
Bank charges	1.78	3.04	3.35	3.64	2.41	2.14
Net loss/ (gain) on foreign currency transactions and translations	(16.80)	1.78	(2.05)	6.15	10.99	(1.89)
	(2.89)	**36.98**	**21.98**	**29.95**	**39.03**	**17.92**

STATEMENT OF DEPRECIATION AND AMORTISATION EXPENSE, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)

Annexure XXVI

Particulars	For the period ended September 30,	For the year ended March 31,				
	2012	2012	2011	2010	2009	2008
Depreciation of tangible assets	25.90	50.78	46.21	45.48	45.50	32.75
Amortisation of intangible assets	0.63	1.30	1.34	1.86	1.22	0.56
	26.53	**52.08**	**47.55**	**47.34**	**46.72**	**33.31**

STATEMENT OF OTHER EXPENSES, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)

Annexure XXVII

Particulars	For the period ended September 30,	For the year ended March 31,				
	2012	2012	2011	2010	2009	2008
Manufacturing expenses						
Consumption of stores and spare parts (Refer note 14 to Annexure IV)	29.40	35.26	26.50	27.73	11.93	33.40
Consumption of packing materials	10.02	15.65	15.11	17.00	12.23	12.19
Power and fuel	62.50	125.15	88.65	68.08	49.85	57.63
Carriage inward and freight	9.29	12.64	10.49	10.37	6.54	6.36
Water charges	0.81	1.49	1.33	1.09	0.85	0.77
Excise duty	3.49	4.79	4.59	0.55	0.07	2.34
Laboratory expenses	3.49	2.93	2.65	1.90	2.76	2.02
Repairs and maintenance						
- Buildings	3.20	4.63	2.81	4.76	3.77	8.46
- Plant and equipment	2.86	5.85	5.20	4.14	4.28	7.50
Other manufacturing expenses	0.04	0.10	0.07	1.04	0.89	1.60
Selling and distribution expenses						
Travel, conveyance and car hire	8.73	13.13	13.85	9.27	9.70	11.19
Commission	2.95	10.37	23.35	60.00	26.22	8.82
Discount on sales	0.36	2.07	4.65	1.62	3.20	1.89
Sales promotion and advertisement	1.19	10.15	9.76	5.79	3.86	3.79
Freight outward and forwarding	8.14	16.57	14.89	10.09	7.81	5.11
Other selling and distribution expenses	3.69	1.86	1.98	3.30	1.89	1.49
Administrative and general expenses						
Rent	2.19	4.51	4.40	2.48	3.01	1.74
Rates and taxes	1.53	1.86	2.15	3.42	2.70	1.18
Repairs and maintenance						
- Others	1.79	5.26	4.39	4.16	4.88	4.02
Insurance	1.07	2.69	2.15	1.91	2.01	1.95
Printing and Stationary	0.65	1.51	1.62	1.53	1.52	1.97
Communication Expenses	2.49	4.94	3.93	4.22	3.59	4.00
Directors' sitting fees	0.13	0.16	0.15	0.01	0.01	0.01
Legal and professional charges	20.59	33.68	43.35	41.03	46.37	32.10
Payments to auditors (Refer note 15 to Annexure IV)	1.20	1.00	0.53	0.22	0.19	0.19
Provision for doubtful debts / advances	-	-	2.95	0.62	0.78	0.42
Bad debts	-	0.85	-	0.22	0.06	1.64
Donation	0.18	5.84	0.67	0.72	0.58	0.58
Loss on sale of assets	-	0.16	-	0.11	0.18	-

Investments written off	-	-	0.01	-	-	-
Loss on impairment	-	5.05	-	-	-	-
Net loss on foreign currency transactions and translations	12.69	-	1.09	-	10.63	-
Diminution in values of share	8.77	-	-	-	-	-
Miscellaneous expenses	4.63	6.23	5.18	13.03	8.66	8.02
	208.07	**336.38**	**298.45**	**300.41**	**231.02**	**222.38**

STATEMENT OF SEGMENT REPORTING, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)

Annexure XXVIII

Particulars	For the period ended September 30,	For the year ended March 31,				
	2012	**2012**	**2011**	**2010**	**2009**	**2008**
Segment reporting						
The Company operates only in one primary business segment viz. 'Biochemicals' and hence no separate information for primary segment wise disclosure is required.						
By geographical segments						
Revenue						
In India	435.37	607.55	683.96	777.44	608.74	500.79
From outside India	275.17	521.96	429.28	292.72	203.55	97.99
Total	**710.54**	**1,129.51**	**1,113.24**	**1,070.16**	**812.29**	**598.78**
Assets						
In India	1,909.37	1,776.66	1,394.53	952.88	882.92	878.61
Outside India	120.57	140.37	107.88	80.76	41.23	23.02
	2,029.94	**1,917.03**	**1,502.41**	**1,033.64**	**924.15**	**901.63**

STATEMENT OF RELATED PARTIES TRANSACTIONS, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)

Annexure XXIX

For six month period ended 30 September 2012	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010	For the year ended 31 March 2009	For the year ended 31 March 2008
Names of related parties					
Subsidiaries					
Advanced Bio-Agro Tech Limited	Advanced Bio-Agro Tech Limited	Advanced Bio-Agro Tech Limited	Advanced Bio-Agro Tech Limited	Advanced Bio-Agro Tech Limited	Advanced Bio-Agro Tech Limited
Advanced EnzyTech Solutions Limited	Advanced EnzyTech Solutions Limited	Advanced EnzyTech Solutions Limited	Advanced EnzyTech Solutions Limited	Advanced EnzyTech Solutions Limited	Advanced Bio-Nutraceuticals Limited
Advanced Bio Proteins Limited	Advanced Bio Proteins Limited	Advanced Bio Proteins Limited	Advanced Vital Enzymes Limited	Advanced Vital Enzymes Limited	
Advanced Enzyme Fareast Limited, Hong Kong	Advanced Enzyme Fareast Limited, Hong Kong	Advanced Enzyme Fareast Limited, Hong Kong	Advanced Enzyme Fareast Limited, Hong Kong	Advanced Enzyme Fareast Limited, Hong Kong	
Advanced Enzyme Europe B.V.	Advanced Enzymes, USA	Advanced Enzymes, USA			
Advanced Enzymes, USA	Cal India Foods International (Wholly owned subsidiary of Advanced Enzymes, USA w.e.f. 4 April 2011)				
Cal India Foods International, USA					
Key Management Personnel (KMP)					
Mr Vasant L. Rathi	Mr Vasant L. Rathi	L. Rathi	L. Rathi	L. Rathi	L. Rathi
Mr Chandrakant L. Rathi	Mr Chandrakant L. Rathi	L. Rathi	L. Rathi	L. Rathi	L. Rathi
Mrs. Savita C. Rathi	Mrs. Savita C. Rathi	Mrs. Savita C. Rathi	Mrs. Savita C. Rathi	Mrs. Savita C. Rathi	Mrs. Savita C. Rathi
Mr. Mukund M. Kabra	Mr. Mukund M. Kabra	Mr. Mukund M. Kabra	Mr. Mukund M. Kabra	Mr. Mukund M. Kabra	Mr. Mukund M. Kabra
Relatives of KMP :					

Mr. Piyush C. Rathi	Mr. Piyush C. Rathi	Mr. Piyush C. Rathi	Mr. Piyush C. Rathi	Mr. Piyush C. Rathi	Mr. Piyush C. Rathi
Mrs Radhika Pujara	Mrs Radhika Pujara	Mrs Radhika Pujara	Mrs Radhika Pujara	Mrs Radhika Pujara	Mrs Radhika Pujara
Mrs Prabha V. Rathi	Mrs.Prabha V. Rathi	Mrs.Prabha V. Rathi	Mrs.Prabha V. Rathi	Mrs.Prabha V. Rathi	Mrs.Prabha V. Rathi
Mr. Kishore L. Rathi	Mr. Kishore L. Rathi	Mr. Kishore L. Rathi	Mr. Kishore L. Rathi	Mr. Kishore L. Rathi	Mr. Kishore L. Rathi
Mrs Mangala M. Kabra	Mrs Mangala M. Kabra	Mrs Mangala M. Kabra	Mrs Mangala M. Kabra	Mrs Mangala M. Kabra	Mrs Mangala M. Kabra
Mrs.Gitanjali M. Kabra	Mrs.Gitanjali M. Kabra	Mrs.Gitanjali M. Kabra			Mrs.Gitanjali M. Kabra
					Mr.Madhusudan G. Kabra
Other Related Parties (companies in which either of the directors or their relatives have significant influence)					
Atharva Capital Ventures Private Limited (Erstwhile Super Biochemicals Pvt Limited)	Atharva Capital Ventures Private Limited	Atharva Capital Ventures Private Limited	Atharva Capital Ventures Private Limited	Atharva Capital Ventures Private Limited (Erstwhile Super Biochemicals Pvt Limited)	Super Biochemicals Pvt. Ltd.
Chandrakant Rathi Financial & Investment Company Private Limited	Chandrakant Rathi Financial & Investment Company Private Limited	Chandrakant Rathi Financial & Investment Company Private Limited	Chandrakant Rathi Financial & Investment Company Private Limited	Chandrakant Rathi Financial & Investment Company Private Limited	Chandrakant Rathi Financial & Investment Company Private Limited
Advanced Vital Enzymes Limited	Cal India Foods International (upto 3rd April 2011)	Cal India Foods International	Cal India Foods International	Cal India Foods International	Cal India Foods International
AST Enzymes	AST Enzymes	AST Enzymes			
Rathi Properties LLC	Rathi Properties LLC	Rathi Properties LLC			
	Advanced Vital Enzymes Limited				

STATEMENT OF RELATED PARTIES TRANSACTIONS, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)

Annexure XXIX

Particulars	For the period ended September 30,	For the year ended March 31,					
	2012	2012	2011	2010	2009	2008	
Transactions with related parties							
Subsidiaries							
Purchases of Goods							
Advanced EnzyTech Solutions Limited	-	0.43	0.06	-	-	-	
Advanced Enzyme Fareast Limited	10.72	-	3.47	-	-	-	
Advanced Vital Enzymes Limited	-	-	0.30	0.42	-	-	
Cal India Foods International	8.31	5.96	-	-	-	-	
Sale of Goods							
Advanced EnzyTech Solutions Limited	44.05	65.01	27.00	-	-	-	
Advanced Enzyme Fareast Limited	-	10.96	32.55	38.95	-	-	
Advanced Bio-Agro Tech Limited	69.13	91.22	118.87	201.35	77.57	22.13	
Advanced Vital Enzymes Limited	-	-	6.04	7.84	0.94	0.71	
Cal India Foods International	148.85	239.32	-				
Commission Paid							
Advanced EnzyTech Solutions Limited	-	0.20	6.14	13.04	8.15		
Advanced Enzyme Fareast Limited	-	-	2.75	-	-		
Advanced Vital Enzymes Limited	-	-	8.64	41.08	11.84		
Interest received							
Advanced Vital Enzymes Limited	-	-	-	-	-	-	
Advanced Enzyme, USA	1.90	5.91	-	-	-	-	
Advanced Bio-Agro Tech Limited	-	-	-	-	2.46	0.16	
Hire charges received							
Advanced Bio-Agro Tech Limited	-	-	0.52	0.39	-		
Advances Paid (Net)							
Advanced EnzyTech Solutions Limited	0.04	(3.91)	2.33	1.60	-	-	-
Advanced Enzyme Fareast Limited	7.02	0.80	0.65	0.15	-	-	-

Advanced Bio-Agro Tech Limited	0.13	0.13	(0.38)	(5.76)	2.62	3.46
Advanced Vital Enzymes Limited	-	-	21.84	49.38	-	0.31
Advanced Enzymes, USA	0.92	30.69	-	-	-	-
Advanced Bio-Pro Solutions Limited	0.00	(0.25)	-	-	-	-
Investment in Subsidiaries						
Advanced EnzyTech Solutions Limited	0.97	-	0.10	-	0.50	-
Advanced Enzyme Fareast Limited	-	-	-	1.30	-	-
Advanced Bio-Pro Solutions Limited	-	-	0.50	-	-	-
Advanced Enzyme, USA	-	88.46	45.12	-	-	-
Advanced Enzyme Europe B.V.	1.74	-	-	-	-	-
Advanced Bio-Agro Tech Limited	-	-	-	-	-	0.10
Refund of share application money						
Advanced Vital Enzymes Limited	-	-	-	-	1.56	-
Outstanding Balances						
Investment in Subsidiaries						
Advanced EnzyTech Solutions Limited	1.57	0.60	0.60	0.50	0.50	-
Advanced Enzyme Fareast Limited	1.30	1.30	1.30	1.30	-	-
Advanced Bio-Agro Tech Limited	0.60	0.60	0.60	0.60	0.60	0.60

Particulars	For the period ended September 30,	For the year ended March 31,				
	2012	2012	2011	2010	2009	2008
Advanced Vital Enzymes Limited	-	-	-	2.80	2.80	2.80
Advanced Bio-Pro Solutions Limited	0.50	0.50	0.50	-	-	-
Advanced Enzymes, USA	133.58	133.58	45.12	-	-	-
Advanced Enzyme Europe B.V.	1.74	-	-	-	-	-
Accounts Receivable						
Advanced EnzyTech Solutions Limited	31.22	24.60	24.93	-	-	-
Advanced Enzyme Fareast Limited	-	19.91	25.01	22.21	-	-
Advanced Bio-Agro Tech Limited	7.78	9.99	5.76	22.36	15.15	13.90

Advanced Vital Enzymes Limited	-	-	-	8.20	-	0.41
Cal India Foods International	40.53	57.62	-	-	-	-
Accounts Payable						
Cal India Foods International	4.56	-	-	-	-	-
Advances Paid						
Advanced EnzyTech Solutions Limited	0.07	0.03	3.94	1.60	-	-
Advanced Enzyme Fareast Limited	0.70	1.61	0.81	0.15	-	-
Advanced Bio-Agro Tech Limited	0.26	0.13	-	0.38	6.15	3.09
Advanced Vital Enzymes Limited	-	-	-	49.38	-	1.82
Advanced Bio-Pro Solutions Limited	-	-	-	-	-	-
Advanced Enzymes, USA	31.62	30.69	-	-	-	-
Advanced Enzyme Europe B.V.	0.08	-	-	-	-	-
Share Application Money pending allotment						
Advanced Vital Enzymes Limited	-	-	-	-	-	1.56
Commission payable						
Advanced EnzyTech Solutions Limited	-	-	-	-	0.87	-
Advanced Vital Enzymes Limited	-	-	-	-	2.33	-
Advances Received						
Advanced Bio-Pro Solutions Limited	0.25	0.25	-	-	-	-
<u>KMP & Relatives</u>						
Remuneration to Directors & their Relatives						
Mr. C. L. Rathi	2.71	5.77	5.27	4.56	3.08	3.65
Mrs. S. C. Rathi	1.12	2.33	2.06	1.43	1.43	1.41
Mr. Mukund Kabra	3.16	6.16	4.50	3.63	2.58	2.09
Mr. K.L. Rathi	0.89	1.53	1.20	1.10	0.95	0.87
Mrs Mangala M. Kabra	0.95	1.72	1.32	1.17	1.04	0.95
Mr. Piyush Rathi	1.21	2.42	2.11	1.47	1.40	1.18
Commission to directors *						
Mr Vasant L. Rathi	-	2.06	1.38	1.10	0.67	-
L. Rathi	-	1.54	1.04	0.82	0.50	-
Mr. Mukund Kabra	-	1.03	0.69	0.55	0.33	-
* included in Employee benefit expense						

Sale of Investment						
Mrs.Gitanjali M. Kabra	-	-	0.38	-	-	-
Interest on Fixed Deposits						
Mr. V. L. Rathi	0.57	1.20	1.22	1.16	0.94	0.88
Mrs.Prabha V. Rathi	0.02	0.05	0.05	0.05	0.05	0.05
Ms Radhika Rathi	0.13	0.28	0.26	0.22	0.16	0.15
Mr. Piyush Rathi	0.00	0.01	0.01	0.01	0.08	0.23
Deposits Received/ (Repaid)						
Mr. V. L. Rathi	-	-	(2.41)	3.00	-	1.70
Mrs.Prabha V. Rathi	-	-	(0.08)		-	-
Particulars	**For the period ended September 30,**	**For the year ended March 31,**				
	2012	**2012**	**2011**	**2010**	**2009**	**2008**
Ms Radhika Rathi	(0.33)	0.15	(0.15)	0.60	0.30	0.15
Mr. Piyush Rathi	-	-	-	(0.84)	-	-
<u>Outstanding Balances</u>						
Fixed Deposits						
Mr. V. L. Rathi	10.21	10.21	10.21	12.62	9.62	9.62
Mrs.Prabha V. Rathi	0.41	0.41	0.41	0.49	0.49	0.49
Ms Radhika Rathi	2.18	2.50	2.35	2.50	1.90	1.60
Mr. Piyush Rathi	0.05	0.05	0.05	0.05	0.89	0.89
<u>Other Related parties</u>						
Purchases of Goods						
Cal India Foods International	-	-	3.89	10.19	10.42	7.39
Sale of Goods						
Advanced Vital Enzymes Limited	11.90	18.67	8.86	-	-	-
Cal India Foods International			235.98	151.14	140.41	58.58
Interest received						
Advanced Vital Enzymes Limited	3.39	7.59	5.25	-	-	-
Sale of Investment						
Chandrakant Rathi Finance & Investment Private Limited	-	-	1.50	-	-	-
Atharva Capital Ventures Private Limited	-	-	0.94	-	-	-
Mrs.Gitanjali M. Kabra	-	-	2.44	-	-	-
Interest on Fixed Deposits						
Chandrakant Rathi Finance & Investment Pvt. Ltd	0.23	0.51	0.48	0.24	0.10	0.10

Atharva Capital Venture Private Limited	0.13	0.36	0.32	0.26	0.14	0.15
Advances Paid (Net)						
Advanced Vital Enzymes Limited	(16.37)	(10.68)	8.64	-	-	-
Deposits Received/ (Repaid)						
Chandrakant Rathi Finance & Investment Pvt. Ltd	(0.80)	-	-	3.35	-	-
Atharva Capital Venture Private Limited	(1.48)	-	-	1.50	-	(0.23)
<u>Outstanding Balances</u>						
Fixed Deposits						
Chandrakant Rathi Finance & Investment Pvt. Ltd	3.60	4.40	4.40	4.40	1.05	1.05
Atharva Capital Venture Private Limited	1.50	2.98	2.98	2.98	1.48	1.70
Investment in Subsidiaries						
Advanced Vital Enzymes Limited	0.57	0.57	0.57	-	-	-
Accounts Receivable						
Advanced Vital Enzymes Limited	12.10	14.75	10.23	-	-	-
Cal India Foods International	-	-	62.19	43.17	30.92	16.94
Trade Payable						
Cal India Foods International	-	-	0.31	-	-	-
Advances Paid						
Advanced Vital Enzymes Limited	52.72	69.09	79.87	-	-	-

STATEMENT OF DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE,
AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)

Annexure XXX

Particulars	For the period ended September 30,	For the year ended March 31,				
	2012	2012	2011	2010	2009	2008
Derivatives outstanding as at the balance sheet date						
Hedging transaction with a bank for interest rate risk on External Commercial Borrowing of	35.03	44.01	57.47	0.03	1.22	3.70

USD 6.00						
Forward Contract	265.70 (equivalent to USD 5.04)	-	-	-	-	50.33
Currency Swaps	-	-	-	1.56	24.64	47.71
Particulars of unhedged foreign currency exposure as at the reporting date						
External commercial borrowings	276.66 (equivalent to USD 5.25)	306.94 (equivalent to USD 6.00)	267.60 (equivalent to USD 6.00)	28.00 (equivalent to USD .61)	63.19 (equivalent to USD 1.22)	74.19 (equivalent to USD 1.84)
Trade payables for imports	₹ 36.11 (equivalent to USD .61 and Euro .06)	14.767 (equivalent to USD .27 and Euro .012)	12.22 (equivalent to USD .24 and Euro .02)	38.64 (equivalent to USD .87 and Euro .12)	17.05 (equivalent to USD .26 and Euro .06 and UK sterling .003)	14.34 (equivalent to USD .26 and Euro .06)
Trade receivables for exports	80.97 (equivalent to USD 1.10 and Euro .34)	108.03 (equivalent to USD 1.99 and Euro 0.008)	107.07 equivalent to USD 2.23 and Euro .12)	80.61 (equivalent to USD 1.6 and Euro .12)	41.23 (equivalent to USD .77 and Euro .04)	23.02 (equivalent to USD .58 and Euro .003)
Loans and Advances to related parties	39.60 (equivalent to USD .76)	32.34 (equivalent to USD .60 and HKD .26, .001 Euro)	0.81 (equivalent to HKD .14)	0.15 (equivalent to USD .00*)	-	-

STATEMENT OF CAPITALISATION, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)

Annexure XXXI

Particulars	Pre Issue as at September 30, 2012	Post Issue
Borrowing		
Short Term	205.14	•
Long Term	411.50	•
	616.64	
Shareholder's fund		
Share Capital	214.29	•
Reserve and Surplus	925.90	•

Total Shareholder's fund	**1,140.19**	•
Long term borrowing / equity ratio	0.36	•
Total borrowing / equity ratio	0.54	•

Note:

1 The long term borrowings/equity ratio has been computed as under:
Long term borrowings/ total shareholders' Funds

2 The total borrowings/equity ratio has been computed as under:
Total borrowings/ Total Shareholders' Funds

3 Short term borrowings are considered as borrowing due within 12 months from the balance sheet date.

4 Long term borrowings is considered as borrowing other than short term borrowing, as defined above and also includes the current maturities of vehicle loans and long term borrowings..

5 The figures disclosed above are based on the Restated Summary Statements of the Company.

• Number of share and issue price is not known hence post issue position have not been presented.

STATEMENT OF TAX SHELTER, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)

Annexure XXXII

Particulars	**For the period ended September 30,**	**For the year ended March 31,**				
	2012	**2012**	**2011**	**2010**	**2009**	**2008**
Net Profit /(Loss) before tax, As Restated	167.51	251.77	194.38	136.50	77.46	58.51
Income Tax Rate						
A: Minimum Alternative Tax Rate (%)	19.06	19.47	19.93	11.33	11.33	11.33
B: Tax Rate (%)	32.45	32.45	33.22	33.99	33.99	33.99
C: Tax expense at nominal rate	54.35	81.69	64.57	46.40	26.33	19.89
Adjustments						
Permanent Differences						
(Profit) / Loss on sale of Fixed Assets	-	0.16	(0.09)	0.11	0.18	(0.04)
Donations	0.18	5.84	0.67	0.38	0.58	0.58
Foreign Exchange Fluctuation on account of AS-11		-				(7.20)
Weighted deduction on R&D expense	(33.81)	(86.26)	(106.35)	(38.38)	(44.52)	(38.22)
Other disallowance / (relief)under Income Tax Act	10.86	0.60	(0.77)	1.26	(0.20)	(0.25)
D: Total Permanent Differences	**(22.77)**	**(79.66)**	**(106.54)**	**(36.63)**	**(43.96)**	**(45.13)**
Timing Differences						
Difference Between Book and Tax Depreciation	(94.63)	19.64	5.65	7.56	(18.40)	1.40
Adjustment on account of Leave Salary and Bonus	(1.63)	1.74	(1.56)	(1.30)	0.02	(1.01)
Provision for Excise duty on Closing Stock	0.61	(0.03)	(1.33)	1.64	(0.48)	0.46

Income under section 10AA	(17.66)	(49.69)	(64.54)	(19.25)		
Other disallowance / (relief) under Income Tax Act	0.50	(2.04)	(0.06)		(1.12)	(0.07)
E: Total Timing Differences	**(112.81)**	**(30.38)**	**(61.84)**	**(11.35)**	**(20.00)**	**0.78**
F: Total Adjustments (D+E)	**(135.58)**	**(110.04)**	**(168.38)**	**(47.98)**	**(63.96)**	**(44.35)**
G: Tax Expenses/(Tax Savings) thereon (B*F)	**(43.99)**	**(35.71)**	**(55.92)**	**(16.31)**	**(21.75)**	**(15.07)**
H:Tax Impact on restatement item	**0.49**	**1.15**	**0.12**	**(1.91)**	**(0.63)**	**(3.00)**
	9.87	44.843	8.53	32.00	5.21	7.82
I: Total Tax as per Return of Income (G+C-H)	*	44.83	8.53	32.00	5.21	7.82
J: Tax payable under MAT	**33.21**	49.66	25.81	24.15	8.98	-

Note:

1 The above statement is in accordance with Accounting Standard - 22 " Accounting for Taxes on Income" as notified under Companies Act, 1956 and has been prepared based upon Income Tax Return filled for the respective years and not based upon assessed income.

2 (*) Figures for the six months ended September 30, 2012 have been prepared from the provisional computation for the said period.

STATEMENT OF DIVIDEND, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)
STATEMENT OF DIVIDEND DECLARED

Annexure XXXIII

Particulars	For the period ended September 30,	For the year ended March 31,				
	2012	2012	2011	2010	2009	2008
Class of shares						
Equity Share Capital	214.29	207.31	207.31	207.31	103.66	103.66
Face Value (₹)	10.00	10.00	10.00	10.00	10.00	10.00
Dividend on equity shares						
Rate of Dividend	-	10.00%	5.00%	10.00%	10.00%	10.00%
Interim Dividend	-	-	-	10.37*	-	-
Tax on interim dividend including surcharge	-	-	-	1.76	-	-
Final Dividend	-	20.73	10.37	-	10.37	10.37
Tax on final dividend including surcharge	-	3.36	1.72	-	1.76	1.76

(*) During the year ended March 31, 2010, the interim dividend was paid prior to allotment of 10,365,600 fully paid up bonus shares in the ratio
of 1:1 shares (face value of ₹ 10 each)

STATEMENT OF ACCOUNTING RATIOS, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)

Annexure XXXIV

S. no.	PARTICULARS	For the period ended September 30,	For the year ended March 31,				
		2012	**2012**	**2011**	**2010**	**2009**	**2008**
A	Net Worth	1,140.19	812.94	627.05	463.61	369.76	320.65
B	Restated profit after tax	124.89	209.98	175.53	105.98	61.24	49.05
	Weighted average number of equity shares outstanding during the year						
C	For Basic earning per share	20.97	20.73	20.73	20.73	10.37	10.37
D	For Diluted earning per share	20.97	20.73	20.73	20.73	10.37	10.37
E	For Restated basic earning per share	20.97	20.73	20.73	20.73	20.73	20.73
F	For Restated diluted earning per share	20.97	20.73	20.73	20.73	20.73	20.73
	Earnings per share ₹ 10 each						
G	Basic earning per share **(B/C)**	5.96	10.13	8.47	5.11	5.91	4.73
H	Diluted earning per share **(B/D)**	5.96	10.13	8.47	5.11	5.91	4.73
I	Restated basic earning per share**(B/E)**	5.96	10.13	8.47	5.11	2.95	2.37
J	Restated diluted earning per share **(B/F)**	5.96	10.13	8.47	5.11	2.95	2.37
K	Return on net worth **(B/A)**	10.95%	25.83%	27.99%	22.86%	16.56%	15.30%
L	Number of shares outstanding at the end of the period/ year	21.43	20.73	20.73	20.73	10.37	10.37
M	Net assets value per share of ₹ 10 each - ₹	53.21	39.21	30.25	22.36	35.67	30.93
N	Face value (₹) - ₹	10.00	10.00	10.00	10.00	10.00	10.00

Notes :-

1) **The ratio has been computed as below :**

Earnings per share-Basic and Diluted = $\frac{\text{Net profit after tax as restated}}{\text{Weighted average number of Equity shares outstanding during the period/year}}$

Net asset value per share(₹) = $\frac{\text{Net worth as restated as at year end}}{\text{Number of equity shares as at period/ year end}}$

Return on net worth (%) = $\frac{\text{Net profit after tax as restated}}{\text{Net worth as restated as at period/ year end}}$

2) Earning per shares (EPS) calculation is in accordance with the notified Accounting Standard 20 'Earnings per share' prescribed by

the Companies (Accounting Standards) Rules, 2006.

Auditor's Report

To,
The Board of Directors
Advanced Enzyme Technologies Limited,
Sun Magnetica, A Wing, 5th Floor,
Near LIC Service Road, Louis Wadi,
Thane (W) 400 604
India

Dear Sirs,

We have examined the restated consolidated financial information of **Advanced Enzyme Technologies Limited** (the 'Company') and its subsidiaries and step down subsidiary (collectively referred as 'the Group') annexed to this report for the purpose of inclusion in the Draft Red Herring Prospectus (the 'DRHP'). This consolidated financial information has been prepared by the management and approved by the Board of Directors of the Company for the purpose of disclosure in the DRHP being issued by the Company in connection with its proposed Initial Public Offering ('IPO').

This consolidated financial information has been prepared in accordance with the requirements of:

iii) Paragraph B of Part II of Schedule II to the Companies Act, 1956 (the 'Act');

iv) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the 'SEBI Regulations'), as amended from time to time issued by the Securities and Exchange Board of India ('SEBI') in pursuance to Section 11 of the Securities and Exchange Board of India Act, 1992 and related amendments.

This consolidated financial information has been extracted by the management from the audited financial statements of the Group for the period ended 30 September 2012 and the years ended 31 March 2012, 2011, 2010, 2009 and 2008.

We have examined such consolidated financial information in accordance with the requirements of:

iii) The (Revised) Guidance Note on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India ('ICAI'); and

iv) The terms of reference received from the Company requesting us to carry out work in connection with the DRHP being issued by the Company relating to IPO.

A. Consolidated financial information as per the Restated Summary Statements of the Group:

9. We have examined the attached Consolidated Summary Statement of Assets and Liabilities, As Restated (refer Annexure I) of the Group as at 30 September 2012, 31 March 2012, 2011, 2010, 2009 and 2008, the attached Consolidated Summary Statement of Profits and Losses, As Restated (refer Annexure II) and the attached Consolidated Summary Statement of Cash Flows, As Restated (refer Annexure III) for the period ended 30 September 2012 and the years ended 31 March 2012, 2011, 2010, 2009 2008 collectively referred to as ' Consolidated Restated Summary Statements of the Group' as prepared by the management and approved by the Board of Directors. These Consolidated Restated Summary Statements of the Group have been arrived at after making such adjustments and regroupings, as in our opinion, are appropriate and more fully described in the Statement of Notes to the Consolidated Restated Summary Statements of the Group appearing in Annexure IV to this report. These Consolidated Restated Summary Statements have

been prepared from the audited financial statements of the subsidiaries for the years ended 31 March 2012, 2011, 2010, 2009 and 2008 and adopted by the members of the respective companies in the respective years in their respective Shareholders' Meetings and also for the period ended 30 September 2012 as approved by the Board of Directors.

10. We have not audited the financial statements of the Group for the years ended 31 March 2011, 2010, 2009 and 2008 as also of certain subsidiaries for the year ended 31 March 2012 and for the six month period ended 30 September 2012. The total assets (after eliminating intra-group transactions) and total revenues (after eliminating intra-group transactions) as reflected by these financial statements not audited by us are as below

(Rupees in millions)

Financial Year/ Period	**Total Assets (after eliminating intra-group transactions)**	**Total Revenues (after eliminating intra-group transactions)**
2007-08	904.91	617.67
2008-09	940.63	852.10
2009-10	1,111.93	1,152.84
2010-11	1,539.74	1,201.48
2011-12	107.88	222.99
Six months period ended 30 September 2012	1,637.25	413.53

These financial statements were audited by other auditors and we have relied on these audited financial statements and have not carried out any audit tests or review procedures on the same. Since we did not perform the audit for these financial statements, the financial information included for such years/ period is solely based on the audit reports submitted by the respective statutory auditors for the relevant years, whose reports were furnished to us by the management and our opinion in so far as it relates to the amounts included in respect of such subsidiaries is based solely on the reports of such other auditors.

11. Based on our examination of these Consolidated Restated Summary Statements of the Group, we state that:

a) The Consolidated Restated Summary Statements of the Group have to be read in conjunction with the Statement of Notes to Consolidated Restated Summary Statements of the Group in Annexure IV;

b) The Consolidated Restated Summary Statements of the Group have been restated with retrospective effect to reflect the accounting policies being adopted by the Group as at 30 September 2012, as stated in the Statement of Notes to Consolidated Restated Summary Statements of the Group in Annexure IV;

c) The Consolidated Restated Profits have been arrived at after making such adjustments and regroupings as, in our opinion, are appropriate in the period/year to which they relate as described in the Statement of Notes to Consolidated Restated Summary Statements of the Group in Annexure IV;

d) There are no qualifications in the auditors' reports for the period ended 30 September 2012 and the years ended 31 March 2012, 2011, 2010, 2009 and 2008 which would require adjustment in the Consolidated Restated Summary Statements of the Group; and

e) There are no extra-ordinary items other than those disclosed in the Consolidated Restated Summary Statements of the Group.

B. Consolidated other financial information:

12. We have examined the following 'Consolidated other financial information' in respect of the period ended September 30, 2012 and the years ended 31 March 2012, 2011, 2010, 2009 and 2008 of the Group, proposed to be included in the DRHP, as prepared by the management and approved by the Board of Directors and annexed to this report:

(i) Statement of Notes to Consolidated Restated Summary Statements of the Group (Annexure IV);
(ii) Consolidated Statement of Non-Current Investments, As Restated (Annexure V);
(iii) Consolidated Statement of Loans and Advances, As Restated (Annexure VI);
(iv) Consolidated Statement of Other Non-Current Assets, As Restated (Annexure VII);
(v) Consolidated Statement of Inventories, As Restated (Annexure XVIII);
(vi) Consolidated Statement of Trade Receivable, As Restated (Annexure IX);
(vii) Consolidated Statement of Cash and Bank Balances, As Restated (Annexure X);
(viii) Consolidated Statement of Minority Interest, As Restated (Annexure XI);
(ix) Consolidated Statement of Long Term Borrowings, As Restated (Annexure XII);
(x) Consolidated Statement of Deferred Tax Liabilities, As Restated (Annexure XIII);
(xi) Consolidated Statement of Short Term Borrowings, As Restated (Annexure XIV);
(xii) Consolidated Statement of Trade Payable, As Restated (Annexure XV);
(xiii) Consolidated Statement of Other Current Liabilities, As Restated (Annexure XVI);
(xiv) Consolidated Statement of Provisions, As Restated (Annexure XVII);
(xv) Consolidated Statement of Share Capital, As Restated (Annexure XVIII);
(xvi) Consolidated Statement of Reserves and Surplus, As Restated (Annexure XIX);
(xvii) Consolidated Statement of Contingent Liabilities and Commitments, As Restated Annexure XX);
(xviii) Consolidated Statement of Revenue from Operations, As Restated (Annexure XXI);
(xix) Consolidated Statement of Other Income, As Restated (Annexure XXII);
(xx) Consolidated Statement of Cost of Material Consumed, As Restated (Annexure XXIII);
(xxi) Consolidated Statement of Changes in Inventories of Finished Goods and Work in progress, As Restated (Annexure XXIV)
(xxii) Consolidated Statement of Employee Benefit Expenses, As Restated (Annexure XXV);
(xxiii) Consolidated Statement of Finance Cost, As Restated (Annexure XXVI);
(xxiv) Consolidated Statement of Depreciation and Amortisation (Annexure XXVII);
(xxv) Consolidated Statement of Other Expenses, As Restated (Annexure XXVIII);
(xxvi) Consolidated Statement of Segment Reporting, As Restated (Annexure XXIX);
(xxvii) Consolidated Statement of Related Parties Transactions, As Restated (Annexure XXX);
(xxviii) Consolidated Capitalisation Statement, As Restated (Annexure XXXI);
(xxix) Summary of Consolidated Accounting Ratios, As Restated (Annexure XXXII)

13. In our opinion, the 'Financial information as per the Consolidated Restated Summary Statements of the Group' and 'Consolidated other financial information' mentioned above for the period ended 30 September 2012 and the years ended 31 March 2012,2011,2010,2009 and 2008 have been prepared in accordance with Part II of Schedule II to the Act and the relevant provisions of the SEBI Regulations.

15. This report should not be in any way construed as a re-issuance or re-dating of any of the previous audit reports issued by us or any other firm of Chartered Accountants, nor should it be construed as a new opinion on any of the financial statements referred to therein.

16. We did not perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no such opinion thereon.

17. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

18. This report is intended solely for your information and for inclusion in the DRHP in connection with the IPO of the equity shares of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For **Walker, Chandiok & Co**
Chartered Accountants
(ICAI Registration No. 001076N)

per **Khushroo B. Panthaky**
Partner
Membership No. F-42423

Place: Mumbai
Dated:

CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED
(Amounts in ₹Millions, unless otherwise stated)
Annexure I

Particulars	**Annexure**	**As at September 30,**	**As at March 31,**				
		2012	**2012**	**2011**	**2010**	**2009**	**2008**
A. Non current assets							
Fixed assets							
Tangible assets		1,167.07	496.31	511.69	539.33	514.87	368.02
Goodwill on consolidation		1,547.18	1,547.18	-	-	-	-
Capital work in progress		13.42	602.30	188.65	7.27	0.02	144.50
Intangible assets		-	0.63	1.94	3.33	5.15	1.13
Non-current investments	**V**	0.62	0.62	0.62	0.06	0.06	0.06
Long term loans and advances	**VI**	133.90	76.56	212.92	32.11	39.09	38.11
Other non current assets	**VII**	0.33	0.89	0.02	0.46	0.46	0.47
Total non current assets		2,862.52	2,724.49	915.84	582.56	559.65	552.29
B. Current assets							
Inventories	**VIII**	302.88	290.76	178.69	261.45	198.08	199.03
Trade receivables	**IX**	378.38	322.46	220.37	206.14	153.27	120.82
Cash and bank balances	**X**	40.60	52.97	148.79	17.19	9.98	5.76
Short term loans and advances	**VI**	82.84	100.43	67.08	21.41	19.43	27.78
Total current assets		804.70	766.62	614.93	506.19	380.76	353.39
C. Minority interest	**XI**	20.73	15.85	12.55	10.73	4.44	1.80
D. Non current liabilities							
Long term borrowings	**XII**	1,284.23	1,393.88	369.06	108.17	132.16	157.49
Deferred tax liabilities (net)	**XIII**	99.85	67.90	70.04	63.52	69.52	59.13
Total non current liabilities		1,384.08	1,461.78	439.10	171.69	201.68	216.62
E. Current liabilities							
Short term borrowings	**XIV**	334.90	379.30	272.71	212.53	154.98	183.71
Trade payables	**XV**	130.07	183.06	82.76	117.09	81.35	76.48
Other current liabilities	**XVI**	379.46	422.92	69.37	89.25	104.84	92.88
Short term provisions	**XVII**	16.96	57.77	21.61	8.91	17.75	16.80
Total current liabilities		861.39	1,043.05	446.45	427.78	358.92	369.87
Net Worth(A+B-C-D-E)		**1,401.01**	**970.42**	**632.67**	**478.56**	**375.37**	**317.39**
Represented by:							
F. Share capital	**XVIII**	214.29	207.31	207.31	207.31	103.66	103.66
G. Reserves and surplus	**XIX**	1,186.72	763.11	425.36	271.25	271.71	213.73
Net Worth(F+G)		**1,401.01**	**970.42**	**632.67**	**478.56**	**375.37**	**317.39**

Note: The above statement should be read with the Consolidated Summary Statements of the Company in Annexure IV

For Walker ,Chandiok& Co

Chartered Accountants

Place: Mumbai
Date:

per **Khushroo B. Panthaky**
Partner

CONSOLIDATED SUMMARY STATEMENT OF PROFITS AND LOSSES, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)
Annexure II

Particulars	**Annexure**	**For period ended September 30,**	**For the year ended March 31,**				
		2012	**2012**	**2011**	**2010**	**2009**	**2008**
Revenue							
Revenue from operations	**XXI**	1,120.84	1,717.40	1,165.73	1,137.67	847.64	613.78
Other income	**XXII**	18.25	28.56	34.46	16.15	4.79	4.73
Total revenue		**1,139.09**	**1,745.96**	**1,200.19**	**1,153.82**	**852.43**	**618.51**
Expenses							
Cost of materials consumed	**XXIII**	330.72	514.95	404.97	480.47	321.86	237.32
Changes in inventories of finished goods and work-in-progress	**XXIV**	(23.15)	(36.76)	65.16	(11.16)	14.35	(39.78)
Employee benefits expenses	**XXV**	115.63	201.33	133.83	137.20	104.38	78.75
Finance costs	**XXVI**	28.12	122.38	23.09	31.27	39.23	17.93
Depreciation and amortisation expense	**XXVII**	28.39	54.98	49.89	51.27	47.04	33.41
Other expenses	**XXVIII**	239.80	408.32	333.40	304.32	232.70	226.73
Total expenses		**719.51**	**1,265.20**	**1,010.34**	**993.37**	**759.56**	**554.36**
Profit before extraordinary item and tax		**419.58**	**480.76**	**189.85**	**160.45**	**92.87**	**64.15**
Loss of goods in transit (Refer to note 13 of Annexure IV)		-	1.51	-	-	-	-
Profit before tax		**419.58**	**479.25**	**189.85**	**160.45**	**92.87**	**64.15**
Tax expense							
Current tax		126.36	143.24	28.80	45.46	8.52	7.45
Less : MAT credit entitlement		23.34	5.00	14.60	-	-	-
Deferred tax		31.94	(2.14)	7.17	(5.99)	10.38	3.59
Fringe benefit tax		-	-	-	-	1.42	1.05
Total Tax		**134.96**	**136.10**	**21.37**	**39.47**	**20.32**	**12.09**
Profit after tax before Minority interest		**284.62**	**343.15**	**168.48**	**120.98**	**72.55**	**52.06**
Less: Share of Minority	**XI**	5.85	3.30	1.94	6.28	2.44	1.44

interest							
Profit after tax , As restated		278.77	339.85	166.54	114.70	70.11	50.62

Note: The above statement should be read with the Statement of Notes to Restated Summary Statements of the Company in Annexure IV

For Walker ,Chandiok& Co

Chartered Accountants

Place: Mumbai
Date:

per **Khushroo B. Panthaky**
Partner

CONSOLIDATED STATEMENT OF CASH FLOWS, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)
Annexure III

Particulars	**For period ended September 30,**	**For the year ended March 31,**				
	2012	**2012**	**2011**	**2010**	**2009**	**2008**
A. CASH FLOW FROM OPERATING ACTIVITIES						
Net profit before tax	419.58	479.25	189.85	160.45	92.87	64.15
Extraordinary items		(1.51)	-	-	-	-
Insurance claim received		1.51	-	-	-	-
Profit before extraordinary items and tax	419.58	479.25	189.85	160.45	92.87	64.15
Adjustments for non-cash transactions						
Depreciation and amortisation	28.39	54.98	49.89	51.27	47.04	33.41
Other adjustments to tangible assets	-	5.05	-	-	-	-
(Profit)/ Loss on sale of fixed assets	-	0.16	0.03	0.18	0.18	(0.04)
(Profit)/ Loss on sale of investments	-	-	(9.26)	-	-	-
Investments written off	-	-	0.01	-	-	-
Bad and doubtful trade receivables	-	-	3.77	0.62	0.78	0.42
Bad and doubtful trade receivables written off	-	0.85	1.69	0.22	0.06	1.64
Excess provision written off/ (back)	-	-	(1.29)	-0.42	-0.60	(1.20)
Sundry balances written off/ (back)	0.00	0.00	-	-	-	-
Unrealised foreign exchange (gain) / loss	(20.21)	(1.55)	1.29	0.02	-	-
Foreign Exchange Translation reserve	(50.67)	21.99	(0.45)	0.63	-	-
Items considered separately						
Interest income	(3.77)	(8.55)	(5.80)	(0.92)	(0.26)	(0.13)
Interest expenses	42.91	117.08	21.65	20.41	25.63	17.68
Operating profit before working capital changes	**416.23**	**669.26**	**251.38**	**232.46**	**165.70**	**115.93**
Adjustments for:						
Increase /(decrease) in short term liabilities and provisions	(31.03)	19.07	9.87	13.72	(0.01)	16.77
Increase / (decrease) in Other Current Liabilities	(58.53)	71.41	8.73	(15.60)	(0.90)	16.93
Increase / (decrease) in trade payables	(52.99)	100.30	(34.34)	35.74	4.88	12.34
(Increase) / decrease in inventories	(12.13)	(112.08)	82.77	(63.37)	0.95	(28.88)
(Increase) / decrease in trade receivables	(55.93)	(102.94)	(18.40)	(53.29)	(32.68)	(30.34)

(Increase) / decrease in short term loans and advances	17.59	(17.31)	(61.68)	(1.97)	8.34	6.46
(Increase) / decrease in other current assets	(0.27)	0.04	(0.02)	(0.02)	(0.01)	0.14
Increase / (decrease) in Other Non Current Assets	0.55	(0.87)	0.44	-	0.02	(0.45)
(Increase) / decrease in long term loans and advances	(44.65)	11.77	(32.44)	29.42	1.98	(11.08)
Cash (used in)/generated from operating activities	**178.84**	**638.65**	**206.31**	**177.09**	**148.27**	**97.82**
Income taxes paid	(120.51)	(124.78)	(38.44)	(57.78)	(11.24)	(20.42)
Net cash (used in)/generated from operating activities	**58.33**	**513.87**	**167.87**	**119.31**	**137.03**	**77.40**

Particulars	**For period ended September 30,**	**For the year ended March 31,**				
	2012	**2012**	**2011**	**2010**	**2009**	**2008**
B. CASH FLOW FROM INVESTING ACTIVITIES						
Purchase of tangible assets	(114.54)	(1,891.32)	(359.21)	(89.04)	(50.40)	(104.50)
Proceeds from sale of tangible assets	-	-	50.59	0.33	0.27	2.02
(Purchase) / Proceeds of intangible assets	-	-	-	-	(4.02)	-
Investment in fixed deposits	(1.78)	(0.25)	(0.61)	0.02	0.57	(0.56)
Purchase of non-current investments	0.00	-	-	-	-	-
Proceeds from sale of non-current investments	-	-	8.70	-	-	-
Interest received	3.77	8.55	5.80	0.92	0.26	0.12
Net cash used in investing activities	**(112.55)**	**(1,883.02)**	**(294.73)**	**(87.77)**	**(53.32)**	**(102.91)**
C. CASH FLOW FROM FINANCING ACTIVITIES						
Proceeds from issue of share capital / Share application Money	202.36	-	-	-	-	-
Proceeds / (Repayment) from long term borrowings	(74.57)	1,308.52	230.98	(49.32)	(12.45)	(42.94)
Proceeds / (Repayment) from short term borrowings	(44.40)	106.60	60.17	57.55	(28.72)	87.88
Purchase of Minority Interest	(0.97)	-	-	-	-	-
Interest paid	(42.91)	(117.08)	(21.65)	(20.41)	(25.63)	(17.68)
Dividends paid (including dividend tax)	-	(24.09)	(12.09)	(12.13)	(12.13)	-
Net cash (used in)/generated from	**39.51**	**1,273.**	**257.41**	**(24.31)**	**(78.93)**	**27.26**

financing activities		**95**				
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	**(14.71)**	**(95.20)**	**130.55**	**7.23**	**4.77**	**1.75**
Opening cash and cash equivalents	52.54	147.74	17.19	9.96	5.18	3.43
Closing cash and cash equivalents*	**37.83**	**52.54**	**147.74**	**17.19**	**9.96**	**5.18**
*** Reconciliation of cash and cash equivalents**						
Cash in hand	0.47	0.82	0.60	0.26	0.28	0.12
Margin money deposited	-	-	-	0.10	0.10	0.10
Balance with scheduled banks :						
Current account	33.11	48.52	51.85	14.01	9.17	4.35
Fixed deposit account	7.01	4.17	96.01	2.12	0.64	1.50
Other bank balance	0.34	0.35	0.35	1.16	0.25	0.16
	40.93	**53.86**	**148.81**	**17.65**	**10.44**	**6.23**
Less : Fixed deposit not considered as cash equivalents	3.10	1.32	1.07	0.46	0.48	1.05
	37.83	**52.54**	**147.74**	**17.19**	**9.96**	**5.18**
The above Cash and bank balances includes amount kept as liquid assets for the compliance of Companies (Acceptance of public deposits) Rules,1975	2.67	4.17	0.77	0.43	1.64	0.50

Note: The above statement should be read with the Consolidated Summary Statements of the Company in Annexure IV

For Walker, Chandiok& Co

Chartered Accountants

Place: Mumbai
Date:

per **Khushroo B. Panthaky**
Partner

CONSOLIDATED STATEMENT OF NOTES TO CONSOLIDATED RESTATED SUMMARY STATEMENTS OF THE GROUP

Annexure IV

1 Background

Advanced Enzyme Technologies Limited (herein referred to as 'the Parent Company' or the 'the Company') together with its subsidiaries (together referred to as 'the Group') carries on the business of manufacture of bio-chemical products.

2 Basis of preparation of financial statements

The Consolidated Restated Summary Statements include the financial statements of the Parent Company and its subsidiary (hereinafter collectively referred as "the Group").

The 'Consolidated Summary Statement of the Assets and Liabilities, As Restated' of the Group as at September 30, 2012, March 31, 2012, 2011, 2010, 2009 and 2008, the 'Consolidated Summary Statement of Profits and Losses, As Restated' and the 'Consolidated Summary Statement of Cash Flows, As Restated' for the period/years ended September 30, 2012, March 31, 2012, 2011, 2010, 2009 and 2008 (collectively referred to as ' Consolidated Restated Summary Statements') have been prepared specifically for the purpose of inclusion in the offer document to be filed by the Company with the Securities and Exchange Board of India ('SEBI') in connection with the proposed Initial Public Offering (hereinafter referred to as 'IPO').

The audited financial statements have been prepared to comply with the Accounting Standards referred to in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government in exercise of the power conferred under sub-section (1) (a) of section 642 and the relevant provisions of the Companies Act, 1956 (the 'Act')

The audited financial statements have been prepared on a going concern basis under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Group unless otherwise stated.

The Restated Summary Statements of the Group have been prepared to comply in all material respects with the requirements of Part II of Schedule II to the Act and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI and as amended from time to time.

3 Principles of Consolidation

The Consolidated Restated Summary Statements relates to Advanced Enzyme Technologies Limited (the Company) and its subsidiary companies (collectively called "the Group"). Subsidiary companies have been consolidated as per Accounting Standard on Accounting for Consolidated Financial Statements (AS-21) notified by the Companies (Accounting Standards) Rules, 2006. The Consolidated Restated Summary Statements have been prepared on the following basis;

a. The Consolidated Restated Summary statements normally includes Consolidated Summary Statement of the Assets and Liabilities, As Restated, Consolidated Summary Statement of Profit and Loss, As Restated, Consolidated Summary Statement of Cash Flows, As Restated and Notes to Consolidated Summary Statement of Assets and Liabilities and Consolidated Summary Statement of Profit and Loss, As Restated and other statements and explanatory material that form an integral part thereof. The Consolidated Restated Summary Statements are presented, to the extent possible, in the same format as adapted by the Parent Company for its standalone financial statements.

b. The Consolidated Restated Summary Statements have been combined on a line by line basis by adding the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/transactions and resulting unrealised profits in full. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the Summary Statement of the Assets and Liabilities, As Restated of the Parent Company and its share in the post-acquisition profit increase in the relevant reserves of the entity to be consolidated.

c. The excess/deficit (as on the date of acquisition) of the Company's investment cost over the subsidiaries net worth is recognised as goodwill/capital reserve.

d. Minorities' interest in the net profit / loss of the consolidated subsidiary companies for the year / period is identified and adjusted against income in order to arrive at the net income attributable to shareholders of the Company. Minorities' interest in the net assets of consolidated subsidiary companies is identified and presented separately in the Consolidated Restated Summary statements.

e. Foreign subsidiary - Revenue items have been consolidated at the average rate of foreign exchange prevailing during the year/period. The assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the closing rate. Exchange differences arising on monetary and non-monetary items that in substance forms part of the company's net investments in non-integral foreign operation are accumulated in the Foreign Currency Translation Reserve.

f. The Consolidated Restated Summary Statements have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances. The impact of change in accounting policies, if not material, has been ignored.

g. The Consolidated Restated Summary Statements are prepared after fully eliminating intra group balances, intra group transactions and unrealised profits from the intra group transactions.

h. Subsidiary Companies are consolidated from the date on which effective control is transferred to the Group and are no longer consolidated from the date of disposal.

i. Notes to Consolidated Summary Statement of Assets and Liabilities and Consolidated Summary Statement of Profit and Loss, As Restated represent notes involving items which are considered material and are accordingly duly disclosed. Materiality for the purpose is assessed in relation to the information contained in the Consolidated Restated Summary Statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and/or a parent having no bearing on the true and fair view of the consolidated financial statements has not been disclosed in the Consolidated Restated Summary Statements.

j. The subsidiary companies considered in the Consolidated Restated Summary Statements are as follows

Name of the Company	**Country of origin**	**% age voting power held at September 30, 2012**	**% age voting power held at March 31, 2012**
i. Advanced Bio-Agro Tech Limited	India	60.00%	60.00%
ii. Advanced EnzyTech Solutions Limited	India	100.00%	85.71%
iii. Advanced BioPro Solutions Limited	India	100.00%	100.00%
iv. Advanced Enzyme Fareast Limited	Hong Kong	100.00%	100.00%
v. Advanced Enzymes, USA	USA	100.00%	100.00%
vi. Cal India Foods International (Wholly owned subsidiary of Advanced Enzymes USA)	USA	100.00%	100.00%
vii. Advanced Enzymes Europe B.V.	Netherlands	100.00%	-

4 Use of estimates

The preparation of Consolidated Restated Summary Statements in conformity with the generally accepted accounting principles requires management to make estimates and assumption that affect the reported amounts of assets and liabilities, revenue and expenses and disclosure of contingent liabilities on the date of Consolidated Restated Summary Statements. The estimates and assumptions used in accompanying Consolidated Restated Summary Statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the Consolidated Restated Summary Statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying Consolidated Restated Summary Statements. Any revision to accounting estimates is recognised prospectively in current and future periods.

5 Significant accounting policies:

a. Revenue recognition (AS -9)

i. Revenue is recognised to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured.

ii. Revenue from sale of products is recognised on delivery of the products, when all significant contractual obligations have been satisfied, the property in the goods is transferred for a price, significant risks and rewards of ownership are transferred to the customer/agent and no effective ownership is retained. Sales are inclusive of excise duty and net of sales tax and discounts.

iii. Export incentives received pursuant to the Duty Drawback Scheme are accounted for, on an accrual basis, to the extent it is probable that realisation is certain.

iv. Interest revenue is recognised on a time proportionate basis, taking into account the amount outstanding and the rates applicable.

b. Fixed assets, depreciation and amortisation (AS 6, AS 10 and AS 26)

i. Fixed assets, both tangible and intangible are stated at cost of acquisition. Cost includes taxes, duties, freight and other incidental expenses related to acquisition and installation of the assets. Interest on borrowings to finance acquisition of fixed assets during qualifying period is capitalised.

ii. Leasehold improvements represent expenses incurred towards civil work and interior furnishings on the leased premises.

iii. Costs relating to acquisition of technical know-how and software are capitalised as Intangible Assets.

iv. Depreciation on fixed assets other than plant &equipment has been provided on written down value method and on plant and equipments on straight line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

v. Leasehold improvements and leasehold land are depreciated over the unexpired primary period of lease except for lease hold land acquired under perpetual lease.

vi. Depreciation on assets not owned by the Company is provided over the period of the economic life of the assets estimated at five years.

vii. Intangible Assets are amortised on a straight line basis over a period of four years.

viii. Individual items of fixed assets capitalised during the year costing up to rupees five thousand each are fully depreciated in the first year.

c. Investments (AS 13)

Investments are classified into long-term investments and current investments. Long-term investments are carried at cost. Provision for diminution in the value of long-term investments is not provided for unless it is considered other than temporary. Current investments are valued at lower of cost and net realisable value.

d. Foreign currency transactions (AS 11)

i. Initial Recognition - Transactions denominated in foreign currencies are recorded at the rates of exchange prevailing on the date of the transaction.

ii. Conversion - Monetary assets and liabilities denominated in foreign currency are converted at the rate of exchange prevailing on the date of the Balance Sheet.

iii. Exchange differences - All exchange differences arising on settlement/conversion on foreign currency transactions are included in the Consolidated Summary Statement of Profits and Losses in the year / period in which they arise.

e. Derivative instruments (AS 11)

i. The Parent Company limits the effects of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives. The Parent Company enters into forward exchange contracts, where the counterparty is a bank.

ii. As per Accounting Standard ('AS') 11 - The Effects of Changes in Foreign Exchange Rates', the premium or the discount on forward exchange contracts not relating to firm commitments or highly probable forecast transactions and not intended for trading or speculation purpose is amortized as expense or income over the life of the contract. All other derivatives, which are not covered by AS 11, are measured using the mark-to-market principle and losses, if any, are recognised in the Summary Statement of Profits and Losses, As Restated of the parent company.

f. Impairment of assets (AS 28)

In accordance with Accounting Standard (AS) 28 on 'Impairment of Assets' as notified by the Central Government under the Companies Act, 1956, the carrying amounts of the respective company's assets are reviewed at each Balance Sheet date to determine whether there is any impairment. The recoverable amount of the assets or where applicable, that of the cash generating unit to which the asset belongs is estimated as the higher of its net selling price and its value in use. An impairment loss is recognized whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Impairment loss is recognized in the Consolidated Summary Statement of Profits and Losses or against revaluation surplus where applicable.

g. Inventories (AS 2)

i. Inventories of stores, spares, packing materials, raw materials, finished goods and stock in process are valued at lower of cost or net realisable value.

ii. Cost of raw materials, stores, spares and packing materials is determined on first-in-first-out basis except for stock of not ordinarily interchangeable raw materials, which are determined on their specific individual costs. Cost of finished goods and stock in process is determined by considering materials, labour and other related direct costs incurred in bringing the inventories to their present condition and location.

h. Employee benefits (AS 15-Revised)

i. All short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.

ii. Defined contribution plans

The respective company contributes to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 that is a defined contribution plan and contribution paid or payable is recognised as an expense in the period in which the employee renders services.

Superannuation benefits, a defined contribution plan, have been funded with Life Insurance Corporation of India and the contribution is charged to Consolidated Statement of Profit and Loss, when the contribution to the fund is due.

iii. Defined benefit plans

The respective company's liability towards compensated absences, being defined benefit plan, is accounted for on the basis of an independent actuarial valuation done at the year end and actuarial gains/losses are charged to the Consolidated Statement of Profit and Loss.

The respective company provides for gratuity benefit, which is a defined benefit plan, covering all its eligible employees. Liability under gratuity plan is determined on actuarial valuation done by Life Insurance Corporation of India (LIC) during the year/period, based upon which the Company contributes to the scheme with LIC. The Company also provides for the additional liability over the amount determined by LIC based on an actuarial valuation done by an independent actuary as at the Balance Sheet date.

In case of one of the subsidiary, Cal India Food International has a discretionary profit sharing plan and 401(k) matching plan covering substantially all of eligible employees of that company. Profit sharing is funded through annual contributions to the plan.

i. Income taxes (AS 22)

Current tax

Current tax is computed and provided for in accordance with the applicable provisions of the Income Tax Act, 1961.

Deferred tax

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that such deferred tax assets can be realized against future taxable profits.

At each Balance Sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

j. Borrowing costs (AS 16)

Borrowing costs incurred on constructing or acquiring a qualifying asset are capitalised as cost of that asset until it is ready for its intended use or sale. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue and recognised as an expense in the statement of Profit and Loss.

k. Intangible Assets (AS 26)

Research and development costs, incurred for development of products are expensed as incurred, except for development costs that relate to the design and testing of new or improved materials, products or processes which are recognised as an intangible asset to the extent that it is expected that such assets will generate future economic benefits. Capital expenditure on research and development is included as part of fixed assets and depreciated on the same basis as other fixed assets.

l. Provisions and contingencies (AS 29)

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources embodying economic benefits and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

m. Leases (AS 19)

Leases, where the lesser effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of Profit and Loss.

n. Earning per share (AS 20)

Basic earnings per share are calculated by dividing the restated net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue.

For the purpose of calculating diluted earnings per share, the restated net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

o. Cash and cash equivalents (AS 3)

Cash and cash equivalents comprise cash at bank and in hand and short term bank deposits with an original maturity of three months or less.

p. Share issue expenses

The share issue expenses will be adjusted against the balance in Securities Premium Account as permitted under Section 78 of the Companies Act, 1956.

6 Change in accounting policy

The Central Government vide notification dated March 31, 2009 has amended Accounting Standard (AS-11) - The effects of changes in Foreign Exchange Rates notified under the Company's (Accounting Standard) Rules, 2006. The Company has exercised the option stated in paragraph 46 of AS 11 retrospectively from April 1, 2007.

Accordingly, the Company has changed its accounting policy for recognition of Exchange differences arising on reporting of long term foreign currency monetary items, which hither to were charged to the Statement of Profit or Loss, in so far as they relate to the acquisition of depreciable capital assets, are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset. The Company has made the appropriate adjustments on this account in the respective previous years.

CONSOLIDATEDSTATEMENT OF NOTES TO CONSOLIDATED RESTATED SUMMARY STATEMENTS OF THE GROUP

7 Below mentioned is the summary of results of adjustments made in the audited accounts of the respective period/years and its impact on profits and losses and assets and liabilities.

Sr. no	Particulars	For the period ended	For the year ended March 31,				
		September 30,2012	2012	2011	2010	2009	2008
(i)	**Excess provision written back**						
	Prior to restatement Entry	0.31	1.34	0.25	0.45	1.26	1.34
	Restatement Adjustment	(0.31)	(1.34)	1.04	(0.03)	(0.66)	(0.14)
	As restated	**-**	**-**	**1.29**	**0.42**	**0.60**	**1.20**
(ii)	**Other non - operating income**					`	
	Prior to restatement Entry	9.98	16.11	1.91	2.92	1.48	0.36
	Restatement Adjustment	-	(2.72)	(0.28)	1.03	0.99	0.99
	As restated	**9.98**	**13.39**	**1.63**	**3.95**	**2.47**	**1.35**
(iii)	**Depreciation**						
	Prior to restatement Entry	28.39	54.98	49.85	51.23	47.00	33.37
	Restatement adjustment	-	-	0.04	0.04	0.04	0.04
	As restated	**28.39**	**54.98**	**49.89**	**51.27**	**47.04**	**33.41**
(iv)	**Finance cost**						
	Prior to restatement Entry	28.12	122.38	22.93	31.27	39.23	10.73
	Restatement adjustment	-	-	0.16	-	-	7.20
	As restated	**28.12**	**122.38**	**23.09**	**31.27**	**39.23**	**17.93**
(v)	**Provision for doubtful debts/advances**						
	Prior to restatement Entry	1.30	1.65	2.64	1.56	-	-
	Restatement adjustment	(1.30)	(1.65)	1.13	(0.94)	0.78	0.42
	As restated	**-**	**-**	**3.77**	**0.62**	**0.78**	**0.42**
(vi)	**Bad debts written off**						
	Prior to restatement Entry	0.90	1.42	0.03	-	-	-
	Restatement adjustment	(0.90)	(0.57)	1.66	0.22	0.06	1.64
	As restated	**-**	**0.85**	**1.69**	**0.22**	**0.06**	**1.64**
(vii)	**Legal and professional expenses**						
	Prior to restatement entry	29.65	45.16	51.78	49.81	49.17	32.30
	Restatement adjustment	-	-	-	0.13	-	-
	As restated	**29.65**	**45.16**	**51.78**	**49.94**	**49.17**	**32.30**
(viii)	**Miscellaneous expenses**						
	Prior to restatement Entry	6.65	16.56	8.69	8.13	8.89	7.90
	Restatement adjustment	(0.46)	(5.10)	(1.16)	7.17	0.67	0.31
	As restated	**6.19**	**11.46**	**7.53**	**15.30**	**9.56**	**8.21**
(ix)	**Prior Period item**						
	Prior to restatement Entry	-	0.24	-	-	-	-
	Restatement adjustment	-	(0.24)	-	-	-	-
	As restated	-	-	-	-	-	-

	Total impact of restatement adjustment	**2.35**	**3.50**	**(1.07)**	**(5.63)**	**(1.21)**	**(8.75)**
(x)	**Income tax**						
	Prior to restatement Entry	134.16	134.92	22.24	41.92	16.32	15.23
	Restatement adjustment	0.03	0.04	(0.52)	(0.54)	4.42	(0.17)
	Tax impact on restatement item	0.76	1.14	(0.36)	(1.91)	(0.41)	(2.97)
	Income tax , As Restated	**134.95**	**136.10**	**21.36**	**39.47**	**20.33**	**12.09**
	Profit before tax						
	Prior to restatement	417.19	475.77	190.99	166.06	94.09	72.90
	Restatement adjustment	2.35	3.50	(1.07)	(5.62)	(1.22)	(8.75)
	Other adjustment (rounding off)	0.04	(0.02)	0.02	0.01	-	-
	Profit before tax, As Restated	419.58	479.25	189.85	160.45	92.87	64.15
	Profit after tax, As Restated	**284.62**	**343.15**	**168.48**	**129.98**	**72.55**	**52.06**

8 Restatement adjustment

i During the previous years, the Company had incurred certain preliminary expenditure which was getting amortised over a period of five years and the same has been disclosed as "Unamortised expense" in the Consolidated Statement of Assets and Liabilities. Pursuant to the applicability of the notified Accounting Standard 26, 'Intangible assets', all preliminary expenses need to be charged to the Consolidated Statement of Profits and Losses, in the year in which they are incurred. Accordingly, the carrying amount of unamortised expenditure forming part of the Consolidated Statement of Assets and Liabilities as on March 31, 2008 and not charged to Consolidated Summary Statement of Profits and Losses, As Restated has now been charged off in the year of incurrence. Further, the opening retained earnings as at April 1, 2007 has been adjusted to reflect the impact of the items pertaining prior to March 31, 2007.

ii During the previous year 2007-08, the Company has incurred foreign exchange gain on ECB loan which was credited under Finance Cost in Consolidated Statement of Profits and losses, As restated. The Central Government vide notification dated March 31, 2009 has amended Accounting Standard (AS -11) - The effect of changes in foreign exchange rate notified under the Companies (Accounting Standard) Rule, 2006. The Company has exercised the option stated in paragraph 46 of AS -11 retrospectively from April 1, 2007.

In view of circular G.S.R -225(E) issued by MCA, foreign exchange gain has been adjusted to carrying cost of assets and effect has been given to opening reserve and surplus in the year ended March 2009. Accordingly, the carrying cost of tangible assets and finance cost has been restated by such foreign exchange gainin the Consolidated Statement of Profits and Losses, As restated for the year ended March 31, 2008.

iii During the year ended March 31, 2012, the Company had accounted certain prior period expenditure which was pertaining to earlier years which includes reduction of Sales Tax liability of ₹ 1.03 million determined through sales tax assessment order for the year 2003-04 during the financial year 2010-11. Thesame was being disclosed as "Prior Period" in the Consolidated Statement of Profits and Losses, As Restated. All prior period expenses need to be charged to the Consolidated Summary Statement of Profits and Losses, As Restated in the year in which they are incurred. Accordingly, all the expenses pertaining to year endedMarch 31, 2011, 2010, 2009 and 2008 has been charged off to respective year in Consolidated Summary Statement of Profits and Losses, As Restated.Further, the opening retained earnings as at April 1, 2007 has been adjusted to reflect the impact of the items pertaining prior to March 31, 2007.

iv During the period ended September 30, 2012 and year ended March 31, 2012, 2011, 2010, 2009 and 2008, certain taxes have been accounted for pertaining to earlier years based on intimations/ orders received from Income-tax authorities. For the purpose of the Consolidated Restated Summery Statements, such items have been appropriately adjusted to the respective years to which they relate. Further, opening retained earnings as at April 1, 2007 has been adjusted to reflect the impact of such items incurred prior to March 31, 2007.

9 Material reclassifications/adjustments

Appropriate reclassifications/adjustments have been made in the Consolidated Summary Statement of Assets and Liabilities, As Restated, Consolidated Summary Statement of Profits and Losses, As Restated and Consolidated Statement of Cash Flows, As Restated, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financial statements of the company for the period ended September 30, 2012 and the requirements of the SEBI regulations. Material reclassifications/ adjustments made are as under:

a. During the year ended 31 March 2012, the Revised Schedule VI notified under the Companies Act, 1956 , has become applicable to the Company for the preparation and presentation of its financial statements, accordingly previous years' figures have been re-grouped/re-classed wherever applicable.

b. Upto the year ended March 31,2011, unrealised gain or loss on foreign currency transaction and translation pertaining to borrowing as on balance sheet date was disclosed under "Administrative and general expenses" or "Other Income" as Net loss / Gain on foreign currency transaction and translation as against disclosing separately under Finance Cost. Accordingly, this has been appropriately disclosed separately under Finance Cost in respectively Summary of Statement of Profit and Loss, As Restated.

	Particulars	**For the period ended September 30,**	**For the year ended March 31,**				
		2012	**2012**	**2011**	**2010**	**2009**	**2008**
10	**Payments to auditors**						
	As auditor						
	Statutory audit	1.27	1.56	0.35	0.36	0.21	0.21
	Tax audit	-	-	0.03	0.06	0.06	0.03
	Other services	-	0.19	0.32	0.01	-	0.00
		1.27	**1.75**	**0.70**	**0.43**	**0.27**	**0.24**

11 Capitalisation of expenditure

The company has capitalised the following expenses of revenue nature to the cost of fixed asset/ capital work in progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the company.

Particulars	**For the period ended September 30,**	**For the year ended March 31,**				
	2012	**2012**	**2011**	**2010**	**2009**	**2008**
Salaries, wages and bonus	5.69	9.54	3.44	-	3.70	3.70
Power and fuel	21.06	8.94	-	-	1.04	1.04
Carriage inward and freight	-	0.81	-	-	0.49	0.49
Water charges	1.01	0.81	-	-	0.29	0.29
Rates and taxes	-	0.60	-	-	1.01	1.01
Legal and professional fees	-	0.75	-	-	3.15	3.15
Travel, conveyance and car hire	0.27	0.81	-	-	0.55	0.55
Miscellaneous expenses	2.92	0.89	-	-	3.58	5.19
Finance costs	35.93	60.83	0.66	-	13.39	13.26
Rent	-	-	-	-	0.80	0.80

Communication Expenses	-	-	-	-	0.15	0.15
Insurance	-	-	-	-	0.02	0.02
Depreciation on Fixed Assets	-	-	-	-	1.18	1.18
	66.88	83.98	4.10	-	29.35	30.83
Less: Interest income	-	2.53	2.76	-	-	-
	66.88	**81.45**	**1.34**	**-**	**29.35**	**30.83**

12 Earning per share

The basic earnings per equity share are computed by dividing the net profit attributable to the equity shareholders for the year / period by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of equity shares, which may be issued on the conversion of all dilutive potential shares, unless the results would be anti dilutive. The earnings per share are calculated as under:

Particulars	**As at September 30,**	**As at March 31,**				
	2012	**2012**	**2011**	**2010**	**2009**	**2008**
Net Profits / (losses), As Restated after tax available for equity shareholder	278.77	339.85	166.54	114.70	70.11	50.62
Weighted average number of equity shares outstanding during the year / period (after considering the Bonus shares issued on March 15, 2010)	20.97	20.73	20.73	20.73	20.73	20.73
Nominal value of shares	10	10	10	10	10	10
Earnings per share, As Restated	13.29	16.39	8.03	5.53	3.38	2.44

13 Goods lost in transit

During the year ended March 31, 2012, a carrier carrying the sale consignment of the Company met with a road accident. The resultant loss due to this event was ₹ 1.51 million which was recovered through the insurance claim.

CONSOLIDATED STATEMENT OF NON CURRENT INVESTMENT, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)
Annexure V

Particulars	**As at September 30,**	**As at March 31,**				
	2012	**2012**	**2011**	**2010**	**2009**	**2008**
Non Current investment, unquoted (valued at cost unless otherwise stated)						
Investments in equity instruments - (non - trade)						
Vyapari Sahakari Bank Limited - Equity shares of ₹ 25 each fully paid up	-	-	-	0.01	0.01	0.01
Bombay Mercantile Co-op. Bank Limited. - Equity shares of ₹ 30 each fully paid up	0.05	0.05	0.05	0.05	0.05	0.05
Investments in equity instruments - (trade)						
Advanced Vital Enzymes Limited - Equity shares of ₹ 10 each fully paid up	0.57	0.57	0.57	-	-	-
	0.62	**0.62**	**0.62**	**0.06**	**0.06**	**0.06**

CONSOLIDATED STATEMENT OF LOANS AND ADVANCES AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)
Annexure VI

Particulars	**As at September 30,**		**As at March 31,**									
	2012		**2012**		**2011**		**2010**		**2009**		**2008**	
	Long term	**Short term**	**Long term**	**Short term**	**Long term**	**Short term**	**Long term**	**Short term**	**Long term**	**Short term**	**Long term**	**Short term**
Loans and advances *(Unsecured, considered good)*												
Capital advances												
Unsecured, considered Good	11.66	-	6.70	-	119.78	-	13.37	-	6.01	-	5.49	-
Doubtful	1.30	-	1.30	-	1.30	-	-	-	-	-	-	-
Allowances for bad and doubtful advances	(1.30)	-	(1.30)	-	(1.30)	-	-	-	-	-	-	-
	11.66	-	6.70	-	119.78	-	13.37	-	6.01	-	5.49	-
Security deposits	13.11	1.60	11.79	1.97	7.93	0.37	7.37	-	6.81	-	6.63	-
Loans and advances to Related Parties	51.05	1.67	57.39	11.70	69.18	10.68	-	-	-	-	-	-
Other loans and advances:	-	-	-	-	-	-	-	-	-	-	-	-
Loan to employees	-	0.49	-	0.69	-	0.46	-	0.21	-	0.47	-	0.35
Advances recoverable in cash or in kind or for value to be received	24.13	66.29	0.68	50.69	16.03	21.04	11.37	6.33	11.22	10.47	13.20	17.76
Advance income tax (net of provisions)	33.95	4.53	-	30.75	-	27.10	-	-	15.05	-	12.79	-
Balance with excise authorities	-	8.26	-	4.63	-	7.43	-	14.87	-	8.49	-	9.67
	133.90	**82.84**	**76.56**	**100.43**	**212.92**	**67.08**	**32.11**	**21.41**	**39.09**	**19.43**	**38.11**	**27.78**

CONSOLIDATED STATEMENT OF OTHER NON CURRENT ASSETS, AS RESTATED

(Amounts in ₹ millions, unless otherwise stated)
Annexure VII

Particulars	As at September 30,	As at March 31,				
	2012	2012	2011	2010	2009	2008
Non-current bank balances (refer Annexure X)	0.33	0.89	0.02	0.46	0.46	0.47
	0.33	**0.89**	**0.02**	**0.46**	**0.46**	**0.47**

CONSOLIDATED STATEMENT OF INVENTORIES, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)
Annexure VIII

Particulars	As at September 30,	As at March 31,				
	2012	2012	2011	2010	2009	2008
Raw materials (includes goods in transit)	155.01	169.78	104.64	125.84	75.70	64.00
Work-in-progress	73.65	53.27	31.47	73.55	84.13	91.56
Finished goods	42.01	29.13	4.80	34.02	26.28	35.21
Traded goods	12.27	21.44	19.11	13.74	0.21	1.17
Stores and spares	19.94	17.14	18.67	14.30	11.76	7.09
	302.88	**290.76**	**178.69**	**261.45**	**198.08**	**199.03**

CONSOLIDATED STATEMENT OF TRADE RECEIVABLES, AS RESTATED
(Amounts in ` millions, unless otherwise stated)
Annexure IX

Particulars	As at September 30,	As at March 31,				
	2012	2012	2011	2010	2009	2008
Debts outstanding for a period exceeding six months from the date they are due for payment						
Unsecured considered good	3.88	11.75	3.80	17.13	7.53	5.55
Doubtful	2.52	2.52	2.86	1.28	0.88	0.31
	6.40	14.27	6.66	18.41	8.41	5.86
Less : Allowances for bad and doubtful debts	2.52	2.52	2.86	1.28	0.88	0.31
	3.88	11.75	3.80	17.13	7.53	5.55
Other debts						
Secured, considered good	0.17	0.18	0.35	52.17	33.94	3.22
Unsecured considered good	374.33	310.53	216.22	136.84	111.80	112.05
	378.38	**322.46**	**220.37**	**206.14**	**153.27**	**120.82**

CONSOLIDATED STATEMENT OF CASH AND BANK BALANCES, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)
Annexure X

Particulars	As at September 30,	As at March 31,				
	2012	2012	2011	2010	2009	2008

Cash and cash equivalents						
Cash in hand	0.47	0.82	0.60	0.26	0.28	0.12
Balances with banks in current accounts	33.11	48.51	51.85	14.01	9.17	4.35
Deposits with maturity upto three months	3.91	2.86	94.94	1.66	0.16	0.45
Margin money deposited	-	-	-	0.10	0.10	0.10
	37.49	52.19	147.39	16.03	9.71	5.02
Other bank balances						
Unpaid dividend account	0.34	0.35	0.35	1.16	0.25	0.16
Fixed deposits with maturity more than three months but less than 12 months	2.77	0.43	1.05	-	0.02	0.58
Fixed deposits with maturity of more than twelve months	0.33	0.89	0.02	0.46	0.46	0.47
Total	40.93	53.86	148.81	17.65	10.44	6.23
Less : Amounts disclosed as other non-current asset (refer Annexure VII)	0.33	0.89	0.02	0.46	0.46	0.47
	40.60	**52.97**	**148.79**	**17.19**	**9.98**	**5.76**
The above Cash and bank balances includes amount kept as liquid assets for the compliance of Companies (Acceptance of public deposits) Rules,1975	**2.67**	**4.17**	**0.77**	**0.43**	**1.64**	**0.50**

CONSOLIDATED STATEMENT OF MINORITY INTEREST, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)
Annexure XI

Particulars	**As at September 30,**	**As at March 31,**				
	2012	**2012**	**2011**	**2010**	**2009**	**2008**
Minority Interest						
Balance at the beginning of the year / period	15.85	12.55	10.73	4.44	1.80	0.36
Add :- Allocation of profit during the year / period	5.85	3.30	1.94	6.28	2.44	1.44
Less :- Adjustment due to change in shareholding of minority interest	(0.97)	-	(0.12)	-	0.20	-
	20.73	**15.85**	**12.55**	**10.73**	**4.44**	**1.80**

CONSOLIDATED STATEMENT OF LONG TERM BORROWINGS, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)
Annexure XII

Particulars	**As at September 30,**		**As at March 31,**					
	2012		**2012**		**2011**		**2010**	
	Non current portion	**Current Maturities**	**Non current portion**	**Current Maturities**	**Non current portion**	**Current Maturities**	**Non current portion**	**Cur Mat**
Secured								

Term loans								
From banks	223.61	99.04	264.21	288.37	269.16	6.25	7.81	35.8
From related parties	978.61	204.45	1,050.28	-	-	-	-	-
Vehicle loans	5.18	2.17	6.30	2.43	8.51	2.40	1.70	1.05
Sub-total	**1,207.40**	**305.66**	**1,320.79**	**290.80**	**277.67**	**8.65**	**9.51**	**36.8**
Total	**1,207.40**	**305.66**	**1,320.79**	**290.80**	**277.67**	**8.65**	**9.51**	**36.8**
Unsecured								
Fixed deposits								
From directors	8.01	-	1.37	-	8.85	-	10.21	-
From relatives of directors	3.64	-	2.30	-	8.04	-	10.19	-
From other shareholders	2.38	-	2.15	-	2.99	-	4.46	-
From others	0.98	-	0.68	-	1.06	-	-	-
Deferred sales tax payment liabilities	61.82	4.77	66.59	3.86	70.45	3.28	73.80	2.65
Total	**76.83**	**4.77**	**73.09**	**3.86**	**91.39**	**3.28**	**98.66**	**2.65**
Total	**1,284.23**	**310.43**	**1,393.88**	**294.66**	**369.06**	**11.93**	**108.17**	**39.5**
The above amount includes								
Amount disclosed under the head 'Other Current Liabilities'	-	(310.43)	-	(294.66)	-	(11.93)	-	(39.5
	-	-	-	-	-	-	-	-

CONSOLIDATED STATEMENT OF DEFERRED TAX LIABILITIES (NET), AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)
Annexure XIII

Particulars	**As at September30,**	**As at March 31,**				
	2012	**2012**	**2011**	**2010**	**2009**	**2008**
Deferred tax assets						
Unabsorbed depreciation	0.02	0.02	0.02	0.01	-	-
Provision for employee benefits	1.14	1.66	-	1.90	-	0.87
Others	0.43	0.24	-	-	-	-
Sub total	**1.59**	**1.92**	**0.02**	**1.91**	**-**	**0.87**
Deferred tax liabilities						
Timing difference on carrying amounts of tangible and intangible assets	101.44	69.82	70.06	65.43	69.49	60.00
Others	-	-	-	-	0.03	-
Sub total	**101.44**	**69.82**	**70.06**	**65.43**	**69.52**	**60.00**
Total	**99.85**	**67.90**	**70.04**	**63.52**	**69.52**	**59.13**

CONSOLIDATED STATEMENT OF SHORT TERM BORROWINGS, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)
Annexure XIV

Particulars	**As at September 30,**	**As at March 31,**				
	2012	**2012**	**2011**	**2010**	**2009**	**2008**
Secured						
Loans repayable on demand from banks:						
Demand loan						
From banks	260.72	358.90	267.58	209.69	144.02	180.39
Sub total	**260.72**	**358.90**	**267.58**	**209.69**	**144.02**	**180.39**
Unsecured						
Loan from Bank	45.12	-	-	-	-	-
Fixed deposits						
From directors	2.20	8.85	1.37	2.41	5.85	1.37
From relatives of directors	4.10	8.03	2.15	0.23	3.42	1.85
From other shareholders	1.27	1.94	1.40	0.20	1.69	0.10
From others	0.41	0.71	0.21	-	-	-
Loans from related parties	21.08	0.87	-	-	-	-
Sub total	74.18	20.40	5.13	2.84	10.96	3.32
Total	**334.90**	**379.30**	**272.71**	**212.53**	**154.98**	**183.71**

Principal Terms of borrowings

a)	Loans from banks					
	S.no.	**Bank details/ loan**	**Rate of interest**	**Repayment schedule of loans**	**Prepayment Terms**	**Security provided**
	Term loans					
	1	DBS Bank Ltd/ USD 6 Million	The applicable SOR plus 1.65% p.a	In 16 equal instalments after a moratorium period of 15 months	Prepayment shall be permitted only in cases of illegality and increased costs and in cases where the borrower gives 15days prior notice that it will repay advances in as amount of a minimum of USD 2 million and in integral multiple of USD 1 million on the last day of any Interest Period. any prepayment, in whole or in part, will be subject to swap breakage costs, if any. Any amount prepaid shall be deemed cancelled and becomes unavailable for redrawing.	1.PariPasu charge of movable and immovable fixed assets of the borrower. 2. Personal Guarantee for Mr. C. L. Rathi.(Creation of charge on Movable and Immovable properties to be completed on or before 120 days from the first disbursement.)
	2	IndusInd Bank Ltd / INR 75 Million	Interest Rate @ 11.25% per annum	Quarterly instalments of ₹ 70.31 lacs each commencing	NA	Pari passu of all the companies' immovable properties and a

				from July 2012		charge on plant and machineries, movable assets including spares etc. save and except specified fixed assets exclusively charged in hire purchase agreement and also save and except book debts and stocks for securing working capital facilities. (Books value of fixed assets as on March 31, 2011 is ₹ 1,169 millions)
b)	**Demand loan**					
	3	Citibank N.A. / INR 200 Million	Interest shall be paid with monthly rest on the last date of each month in each year , or at such other rests as determined by the bank.	Cash Credit - Revolving 360 days Export finance Tenor < 180 days Letter of Credit Tenor < 180 days Buyers Credit Tenor < 180 days	Prepayment penalty at the rate of 2% of sanction amount or principal outstanding whichever is higher, at the description of Citi Bank N.A.	First Pari passu charge on stocks and receivable. Personal guarantee of Mr. C. L. Rathi SLC/BG facilities shall be against 10% cash margins. Second pari-passu charge on all fixed assets of the company , including plant and machinery and factory land & building located at Pitampur. Sinner, Indore & Shahpur, R&D labs at Thane and Corporate Premises at Thane.
	4	HDFC Bank Ltd / INR 125 Million	Base rate plus 300 bps (Currently HDFC banks base rate is at - 10%) subject to revision by the Bank Plus Interest tax and any other statutory levy if and when applicable.	Repayable on demand	NA	First pari-passu charge over the entire current assets of the company to be shared on pari passu basis with other working capital bankers. Second pari-passu charge over the entire fixed assets of the company to be shared on a pari

						passu basis with other working capital bankers. Personal Guarantee of promoter Mr. C. L. Rathi, backed by CA certified Net worth statement
	5	Yes Bank Ltd / INR 100 Million	YES Bank Prime Leading Bank Rate - 7.5% i.e. Current effective interest rate 9.00%	Repayable on demand	NA	First pari passu charge on current assets of the Borrower. Personal Guarantee of Mr. C.L. Rathi
	6	Citibank / INR 20 Million	As applicable from time to time at monthly rests, unless otherwise indicated.	Cash Credit - Revolving 360 days. Letters of Credit Tenor < 180 days	Prepayment penalty on WCDL at 4% of principal outstanding.	Secured by Negative lien on Land & Building situated at Gat No 551 , Off Nasik-Pune Road, Dapurwad Road . Mauje Musalgaon, Taluka Sinnar , Dist Nashik, Sole Charge on Plant &Machinery located at the above address as and when procured, First Exclusive charge on Stocks and Book Debts of the Company and further guarantee of Mr. O P Singh.
	7	Wells Fargo Bank / USD 2.5 million	Index rate plus 0.5% basis point per annum and is payable monthly (As at September 30, 2012 - it was 3.75% per annum)	this line of credit has an availability period upto July 15, 2013 and payable on demand.	NA	Personal property of the director
c)	**Vehicle loans**					
	Sr No	**Bank details/ loan**	**Rate of interest**	**Repayment schedule of loans**	**Prepayment Terms**	**Security provided**
	1	ICICI BANK	Fixed Interest rate - 10.35%	40 Outstanding EMIs amounting to ₹ 1,847,356		Secured by the first charge on the vehicle financed by the bank.

	2	HDFC BANK CAR LOAN	Fixed Interest rate - 9.01%	26 Outstanding EMIs amounting to ₹ 459,883		Secured by the first charge on the vehicle financed by the bank.
	3	TATA CAPITAL LIMITED	Fixed Interest rate - 9.25%	32 Outstanding EMIs amounting to ₹ 468,559		Secured by the first charge on the vehicle financed by the bank.
	4	HDFC BANK	Fixed Interest rate - 10.50%	31 Outstanding EMIs amounting to ₹ 332,611		Secured by the first charge on the vehicle financed by the bank.
	5	HDFC BANK	Fixed Interest rate - 9.25%	34 Outstanding EMIs amounting to ₹ 581,198		Secured by the first charge on the vehicle financed by the bank.
	6	TATA CAPITAL LIMITED	Fixed Interest rate - 9.25%	35 Outstanding EMIs amounting to ₹ 456,660		Secured by the first charge on the vehicle financed by the bank.
	7	HDFC BANK	Fixed Interest rate - 9.74%	35 Outstanding EMIs amounting to ₹ 478,693		Secured by the first charge on the vehicle financed by the bank.
	8	ICICI BANK	Fixed Interest rate - 9.96%	38 Outstanding EMIs amounting to ₹ 3,496,893		Secured by the first charge on the vehicle financed by the bank.
	9	HDFC BANK	Fixed Interest rate - 12.50%	47 Outstanding EMIs amounting to ₹ 265,418		Secured by the first charge on the vehicle financed by the bank.
d)	**Loan from**					
	1	Promoter and related parties	Interest rate - 4.50 % per annum	Payable in 24 equal quarterly instalment of USD 1206,242	NA	The company has a security of payment and performance of the obligation by creating a security interest in all of the Company's right, title and interest in, to and under the following property, wherever located and whether now existing and owned or hereafter acquired or arising (collectively, the "Collateral"): 1. all Accounts

						2. all Chattel Paper 3. all deposit accounts 4. all Documents 5. all Equipment 6. all general Intangibles and Commercial tort claims 7. all Instruments 8. all Inventory 9. all Books and 10. all Products and Proceeds of any and all the foregoing.
e)	**Details of guarantee for each type of borrowings** **Guaranteed by Managing director**					
	Term loans -From banks	223.61				
	Loans repayable on demand From banks	260.72				

CONSOLIDATED STATEMENT OF TRADE PAYABLES, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)
Annexure XV

Particulars	**As at September 30,**	**As at March 31,**				
	2012	**2012**	**2011**	**2010**	**2009**	**2008**
Dues to micro, medium and small enterprises	2.07	5.51	0.31	1.43	0.58	-
Dues to others	128.00	177.55	82.45	115.66	80.77	76.48
	130.07	**183.06**	**82.76**	**117.09**	**81.35**	**76.48**

Note:
The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMEDA). Accordingly, the disclosure in respect of the amounts payable to such enterprises has been made in the financial statements based on information received and available with the Company. Further in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the MSMEDA is not expected to be material.

CONSOLIDATED STATEMENT OF OTHER CURRENT LIABILITIES, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)
Annexure XVI

Particulars	**As at September 30,**	**As at March 31,**				
	2012	**2012**	**2011**	**2010**	**2009**	**2008**
Current maturities of long term borrowings	303.49	288.37	6.25	35.81	61.17	48.14
Current maturities of vehicle loans	2.17	2.43	2.40	1.05	1.01	1.17
Unpaid dividends	0.34	0.35	0.36	1.15	0.23	0.17
Provident fund	0.49	0.84	0.45	0.38	1.05	0.30
Statutory dues	14.42	5.71	8.38	9.69	9.50	14.77
Other payables	50.27	109.57	43.21	29.47	18.83	20.68
Advance from customers	8.28	15.65	8.32	11.70	13.05	7.65
	379.46	**422.92**	**69.37**	**89.25**	**104.84**	**92.88**

CONSOLIDATED STATEMENT OF PROVISIONS, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)
Annexure XVII

Particulars	As at September 30,		As at March 31,									
	2012		2012		2011		2010		2009		2008	
	Long term	Short term	Long term	Short term	Long term	Short term	Long term	Short term	Long term	Short term	Long term	Short term
Provisions for employee benefits												
Leave encashment	-	0.77	-	2.12	-	0.33	-	1.69	-	2.93	-	1.57
Gratuity	-	0.21	-	0.28	-	0.27	-	1.53	-	-	-	-
Bonus	-	3.05	-	3.45	-	3.31	-	2.92	-	2.62	-	2.09
Others	-	-	-	5.12	-	-	-	-	-	-	-	-
Provision for taxation (net of advance taxes)	-	12.93	-	22.71	-	5.61	-	2.77	-	0.07	-	1.02
Proposed dividend to equity shareholders	-	-	-	20.73	-	10.37	-	-	-	10.37	-	10.36
Dividend tax	-	-	-	3.36	-	1.72	-	-	-	1.76	-	1.76
	-	**16.96**	**-**	**57.77**	**-**	**21.61**	**-**	**8.91**	**-**	**17.75**	**-**	**16.80**

CONSOLIDATED STATEMENT OF SHARE CAPITAL, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)
Annexure XVIII

Particulars	As at September 30,		As at March 31,									
	2012		2012		2011		2010		2009		2008	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Authorised share capital												
Equity shares of ₹10 each	35.00	350.00	35.00	350.00	35.00	350.00	35.00	350.00	15.00	150.00	15.00	150.00
Issued, subscribed and fully paid up												
Equity shares of ₹10 each	21.43	214.29	20.73	207.31	20.73	207.31	20.73	207.31	10.37	103.66	10.37	103.66

a) Reconciliation of equity share capital

Particulars	As at September 30,		As at March 31,									
	2012		2012		2011		2010		2009		2008	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Balance at the beginning of the period/year	20.73	207.31	20.73	207.31	20.73	207.31	10.37	103.66	10.37	103.66	10.37	103.66
Add: share issued during the period/year	0.70	6.98	-	-	-	-	-	-	-	-	-	-
Add: bonus shares issued during the period/year	-	-	-	-	-	-	10.37	103.66	-	-	-	-
Balance at the end of the period/year	21.43	214.29	20.73	207.31	20.73	207.31	20.73	207.31	10.37	103.66	10.37	103.66

i) During the year ended March 31, 2010, the Parent Company has issued 10,365,600 equity shares of ₹ 10 each as bonus shares in the ratio of 1:1. Other than the above mentioned bonus issues, the Parent Company has not issued any shares without payment being received in cash nor there hasbeen any buy-back of shares in the current year and preceding five years.

ii) During the period ended September 30, 2012, the Company issued 697,800 equity shares at ₹ 10 each at a premium of ₹ 280 each.

b) Shareholding structure
Shareholders holding more than 5% of the shares of the company

Particulars	**As at September 30,**		**As at March 31,**									
	2012		**2012**		**2011**		**2010**		**2009**		**2008**	
Equity shares of ₹10 each	Number of Shares	% of holding	Number of Shares	% of holding	Number of Shares	% of holding	Number of Shares	% of holding	Number of Shares	% of holding	Number of Shares	% of holding
Mr. Vasant L. Rathi	8.94	41.73 %	8.94	43.14%	8.94	43.14%	8.94	43.14%	4.51	43.47%	4.51	43.47%
Chandrakant Rathi Finance & Investment Company Private Limited	3.62	16.90 %	3.62	17.47%	3.62	17.47%	3.62	17.47%	1.81	17.45%	1.81	17.45%
Atharva Capital Ventures Private Limited	2.49	11.63 %	2.52	12.17%	2.52	12.17%	2.52	12.17%	1.26	12.17%	1.26	12.12%
Mrs.Prabha V. Rathi	1.28	5.99 %	1.28	6.19 %	1.28	6.19 %	1.28	6.19 %	0.64	6.19 %	0.64	6.19 %

C) Details of shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and brought back during the last 5 years to be given for each class of shares

During the year ended March 31, 2010, the Parent Company has issued 10,365,600 equity shares of ₹ 10 each as bonus shares in the ratio of 1:1. Other than the above mentioned bonus issues, the Parent Company has not issued any shares without payment being received in cash nor any buy-back of shares in the current year and preceding five years.

d) Terms/Rights attached to shares

The Parent Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividends, if any, proposed by Board of Directors is subject to approval by the Shareholders. All shares rank pari passu on repayment of capital in the event of liquidation.

e) During the year ended March 31, 2009, the Parent Company increased its authorised equity share capital from ₹ 150 million comprising of 15,000,000 equity shares of ₹ 10 each to ₹ 350 million comprising of 35,000,000 equity shares of ₹ 10 each.

CONSOLIDATED STATEMENT OF RESERVES AND SURPLUS, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)
Annexure XIX

Particulars	**As at September 30,**	**As at March 31,**				
	2012	**2012**	**2011**	**2010**	**2009**	**2008**
Reserves and surplus						
Capital reserves						
Balance at the beginning of the period/year	3.00	3.00	3.00	3.00	3.00	3.00
Add : Additions made during the year	-	-	-	-	-	-
Less : Deletions made during the year	-	-	-	-	-	-
Balance at the end of the period/year (A)	**3.00**	**3.00**	**3.00**	**3.00**	**3.00**	**3.00**
Securities premium reserve						
Balance at the beginning of the period/year	-	-	-	10.83	10.83	10.83
Add : Additions made during the year	195.38	-	-	-	-	-
Less : Deletions made during the year	-	-	-	10.83	-	-
Balance at the end of the period/year (B)	**195.38**	**-**	**-**	**-**	**10.83**	**10.83**
General reserve						
Balance at the beginning of the period/year	26.53	26.53	26.53	26.53	26.53	26.53
Add : Additions made during the year	-	-	-	-	-	-
Less : Deletions made during the year	-	-	-	-	-	-
Balance at the end of the period/year (C)	**26.53**	**26.53**	**26.53**	**26.53**	**26.53**	**26.53**
Currency translation reserve						
Balance at the beginning of the period/year	22.28	0.29	0.63	-	-	-
Add : Additions made during the year	(50.54)	21.99	0.10	0.63	-	-
Less : Deletions made during the year	-	-	0.45	-	-	-
Balance at the end of the period/year (D)	**(28.26)**	**22.28**	**0.29**	**0.63**	**-**	**-**
Surplus in the Statement of Profit and Loss						
Balance at the beginning of the period/year	711.30	395.54	241.09	231.35	173.37	134.88
Add : Transferred from statement of profit and loss	278.77	339.85	166.54	114.70	70.11	50.62
Less : Proposed dividend	-	20.73	10.37	10.37	10.37	10.37
Less : Tax on dividends distributed during the year	-	3.36	1.72	1.76	1.76	1.76
Less : Utilised for issue of bonus shares	-	-	-	92.83	-	-
Net Surplus in the Statement of Profit and Loss(E)	**990.07**	**711.30**	**395.54**	**241.09**	**231.35**	**173.37**

Total (A+B+C+D+E)	**1,186.72**	**763.11**	**425.36**	**271.25**	**271.71**	**213.73**

CONSOLIDATED STATEMENT OF CONTINGENT LIABILITIES AND COMMITMENTS, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)
Annexure XX

Particulars	**As at September 30,**	**As at March 31,**				
	2012	**2012**	**2011**	**2010**	**2009**	**2008**
Claims against the company not acknowledged as debt Legal cases	3.05	3.15	3.26	10.94	10.91	0.84
Other money for which the company is contingently liable	-	-	3.76	7.99	7.16	-
Estimated amount of contracts remaining to be executed on capital account and not provided for	11.92	6.02	102.04	11.76	0.73	2.99

CONSOLIDATED STATEMENT OF REVENUE FROM OPERATIONS, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)
Annexure XXI

Particulars	**For the period ended September 30,**	**For the year ended March 31,**				
	2012	**2012**	**2011**	**2010**	**2009**	**2008**
Sale of products						
Export	645.23	1,067.15	440.71	323.61	203.55	97.99
Domestic	527.96	716.82	790.44	864.60	718.70	596.68
	1,173.19	**1,783.97**	**1,231.15**	**1,188.21**	**922.25**	**694.67**
Less : Excise duty	52.35	66.57	65.42	50.54	74.61	80.89
	1,120.84	**1,717.40**	**1,165.73**	**1,137.67**	**847.64**	**613.78**

Detail of Product Sold

Details of products sold						
Manufactured goods						
Enzymes	1,001.35	699.21	939.43	786.68	677.36	539.89
Animal feed supplement	0.43	5.11	7.47	210.42	90.16	44.60
Micro organisms	5.52	5.01	7.17	6.90	5.74	6.71
Others	7.24	2.03	25.27	47.81	39.78	7.59
	1,014.54	711.36	979.34	1,051.82	813.04	598.79
Traded goods						
Enzymes	1.10	874.03	30.65	28.83	-	-
Animal feed supplement	105.20	129.17	154.86	57.03	34.60	14.99
Others	-	2.84	0.88	-	-	-
	106.30	1,006.04	186.39	85.85	34.60	14.99
Total	**1,120.84**	**1,717.40**	**1,165.73**	**1,137.67**	**847.64**	**613.78**

CONSOLIDATED STATEMENT OF OTHER INCOME, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)
Annexure XXII

Particulars	For the period ended September 30,	For the year ended March 31,					Nature (recurring/ non recurring)	Related/ not related to business activity
	2012	2012	2011	2010	2009	2008		
Interest Income	3.77	8.55	5.80	0.92	0.26	0.13	Recurring	Not related
Profit on sale of investment	-	-	9.26	-	-	-	Non Recurring	Not related
Gain on sale of fixed assets	-	-	0.09	-	-	0.04	Non Recurring	Not related
Export incentives	1.70	6.27	6.14	3.26	1.32	0.95	Recurring	Related
Excess provision no longer required written back	-	-	1.29	0.42	0.60	1.20	Recurring	Related
Net gain on foreign currency transactions and translations	2.80	0.35	-	7.60	0.14	1.06	Recurring	Related
Other non-operating income	9.98	13.39	1.64	3.95	2.47	1.35	Recurring	Not related
Share in stock of subsidiary	-	-	10.24	-	-	-	Non Recurring	Related
	18.25	**28.56**	**34.46**	**16.15**	**4.79**	**4.73**		
Profit before tax	419.58	479.25	189.85	160.45	92.87	64.15		
% of other income to profit before tax	**4.35%**	**5.96%**	**18.15 %**	**10.07 %**	**5.16%**	**7.37%**		

Notes:

1 All items classified under other income were earned in the normal course of business.

2 The classification of 'Other income' as recurring or non-recurring is based on the current operations and business activities of the Company, as determined by the management.

CONSOLIDATED STATEMENT OF COST OF MATERIAL CONSUMED, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)
Annexure XXIII

Particulars	**For the period ended September 30,**	**For the year ended March 31,**				
	2012	**2012**	**2011**	**2010**	**2009**	**2008**
Raw material consumed						
Opening stock	169.78	104.64	125.84	75.70	64.00	70.85
Add : purchases during the period/year	315.95	490.13	383.77	530.61	333.56	230.47
Add : Share in subsidiary stock acquired during the year	-	89.96	-	-	-	-
Less : closing stock	155.01	169.78	104.64	125.84	75.70	64.00
	330.72	**514.95**	**404.97**	**480.47**	**321.86**	**237.32**
Detail of Raw Material and components						
Consumption detail						
Agricultural produce	15.22	33.51	31.23	21.89	16.55	18.74
Dairy products	41.93	42.41	45.04	34.85	27.71	28.72
Crude enzymes	60.68	182.83	106.19	71.86	11.11	26.84
Others	212.89	256.20	222.51	351.87	266.49	163.02
	330.72	**514.95**	**404.97**	**480.47**	**321.86**	**237.32**

CONSOLIDATED STATEMENT OF CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)
Annexure XXIV

Particulars	**For the period ended September 30,**	**For the year ended March 31,**				
	2012	**2012**	**2011**	**2010**	**2009**	**2008**
Closing stock						
Finished goods	42.01	29.13	4.80	34.02	26.28	35.21
Work-in-progress	73.65	53.27	31.47	73.55	84.13	91.56
Stock-in- trade	12.27	21.44	19.11	13.74	0.21	1.17
	127.93	103.84	55.38	121.31	110.62	127.94
Opening stock						
Finished goods	29.13	4.80	34.02	26.28	35.21	35.83
Work-in-progress	53.27	31.47	73.55	84.13	91.56	52.29
Stock-in-trade	21.44	19.11	13.74	0.21	1.17	1.11
	103.84	55.38	121.31	110.62	127.94	89.23
Share in subsidiary stock acquired during the year - Finished goods	-	11.49	-	-	-	-
Differential excise duty on stocks	0.94	0.21	(0.77)	(0.47)	(2.97)	(1.07)
	(23.15)	**(36.76)**	**65.16**	**(11.16)**	**14.35**	**(39.78)**

CONSOLIDATED STATEMENT OF EMPLOYEE BENEFIT EXPENSE, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)
Annexure XXV

Particulars	**For the period ended September 30,**	**For the year ended March 31,**				
	2012	**2012**	**2011**	**2010**	**2009**	**2008**
Salaries, wages and bonus	99.78	170.90	119.02	119.54	91.05	67.57
Contribution to gratuity, provident fund and other funds	8.96	18.75	5.82	9.86	6.16	5.49
Staff welfare expenses	6.89	11.68	8.99	7.80	7.17	5.69
	115.63	**201.33**	**133.83**	**137.20**	**104.38**	**78.75**

CONSOLIDATED STATEMENT OF FINANCE COST, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)
Annexure XXVI

Particulars	**For the period ended September 30,**	**For the year ended March 31,**				
	2012	**2012**	**2011**	**2010**	**2009**	**2008**
Interest expenses	42.91	117.08	21.65	20.41	25.63	17.68
Bank charges	2.01	3.72	3.49	4.68	2.61	2.18
Net loss/ (gain) on foreign currency transactions and translations	(16.80)	1.58	(2.05)	6.18	10.99	(1.93)
	28.12	**122.38**	**23.09**	**31.27**	**39.23**	**17.93**

CONSOLIDATED STATEMENT OF DEPRECIATION AND AMORTISATION EXPENSE, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)
Annexure XXVII

Particulars	**For the period ended September 30,**	**For the year ended March 31,**				
	2012	**2012**	**2011**	**2010**	**2009**	**2008**
Depreciation of tangible assets	27.76	53.68	48.59	49.45	45.86	33.41
Amortisation of intangible assets	0.63	1.30	1.30	1.82	1.18	-
	28.39	**54.98**	**49.89**	**51.27**	**47.04**	**33.41**

CONSOLIDATED STATEMENT OF OTHER EXPENSES, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)
Annexure XXVIII

Particulars	**For the period ended September 30,**	**For the year ended March 31,**				
	2012	**2012**	**2011**	**2010**	**2009**	**2008**
Manufacturing expenses						
Consumption of stores and spare parts	29.55	37.65	26.50	27.77	11.93	33.40
Consumption of packing materials	10.09	15.73	16.94	20.58	12.27	12.19
Power and fuel	63.85	125.18	89.05	69.04	49.85	57.63
Carriage inward and freight	11.10	15.78	13.63	12.82	6.54	6.38
Water charges	0.81	1.49	1.35	1.15	0.85	0.77
Excise duty	3.51	4.79	4.59	0.55	0.07	2.34
Laboratory expenses	3.49	5.90	2.65	1.90	2.76	2.02
Repairs and maintenance						
Buildings	3.20	4.66	2.96	5.31	3.77	8.46
Plant and equipment	2.86	5.85	5.39	4.14	4.28	7.50
Other Assets				0.70	0.04	-
Other manufacturing expenses	2.57	3.10	4.32	4.19	0.89	1.60
Selling and distribution expenses						
Travel, conveyance and car hire	15.26	26.76	26.11	26.01	17.38	13.13
Commission	3.71	10.90	6.45	6.05	6.25	8.82
Discount on sales	0.83	2.90	5.66	3.19	5.85	2.18
Sales promotion and advertisement	3.75	7.78	6.89	11.82	5.65	3.96
Freight outward and forwarding	10.64	21.96	20.65	14.86	9.78	5.64
Other selling and distribution expenses	3.69	9.87	10.17	4.60	2.12	1.49
Administrative and general expenses						
Rent	6.34	11.90	5.08	3.08	3.38	1.90
Rates and taxes	2.52	3.84	2.24	3.45	2.70	1.18
Repairs and maintenance						
Others	2.46	6.58	4.72	4.25	4.93	4.17
Insurance	2.94	5.45	2.25	2.01	2.03	1.95
Printing and Stationary	2.83	2.09	2.77	3.17	2.69	2.38
Communication expenses	3.43	6.76	5.44	6.19	4.94	4.24
Directors' sitting fees	0.13	0.16	0.15	0.01	0.01	0.01
Legal and professional charges	29.65	45.16	51.78	49.94	49.17	32.30
Payments to auditors (Also, Refer note 10 of annexure IV)	1.27	1.75	0.69	0.43	0.27	0.24
Provision for doubtful debts/advances	-	-	3.77	0.62	0.78	0.42
Bad debts (Net of Provisions)	-	0.85	1.69	0.22	0.06	1.64
Research and development expenses	0.17	-	-	-	-	-
Donation	0.27	6.32	0.67	0.76	1.09	0.58

Loss on sale of assets	-	0.16	0.12	0.18	0.18	-
Investments written off	-	-	0.01	-	-	-
Loss on impairment	-	5.05	-	-	-	-
Net loss on foreign currency transactions and translations	12.69	0.49	1.17	0.03	10.63	-
Miscellaneous expenses	6.19	11.46	7.54	15.30	9.56	8.21
	239.80	**408.32**	**333.40**	**304.32**	**232.70**	**226.73**

CONSOLIDATED STATEMENT OF SEGMENT REPORTING, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)
Annexure XXIX

Particulars	**For the period ended September 30,**	**For the year ended March 31,**				
	2012	**2012**	**2011**	**2010**	**2009**	**2008**
Segment reporting						
The Company operates only in one primary business segment viz. 'Biochemicals' and hence no separate information for primary segmentwise disclosure is required.						
By geographical segments						
Revenue						
In India	475.61	650.25	725.02	814.06	644.09	515.79
From outside India	645.23	1,067.15	440.71	323.61	203.55	97.99
	1,120.84	**1,717.40**	**1,165.73**	**1,137.67**	**847.64**	**613.78**
Assets						
In India	3,490.34	3,201.26	1,385.39	1,000.30	899.62	882.66
Outside India	176.88	289.85	145.38	88.45	40.79	23.02
	3,667.22	**3,491.11**	**1,530.77**	**1,088.75**	**940.41**	**905.68**

STATEMENT OF RELATED PARTIES, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)
Annexure XXX

Particulars	**For the period ended September 30,**	**For the year ended March 31,**				
	2012	**2012**	**2011**	**2010**	**2009**	**2008**
Names of related parties **Key Management Personnel (KMP)**						
	Mr. Vasant L. Rathi Mr. Chandrakant L. Rathi Mrs. Savita C. Rathi Mr. Mukund M. Kabra	Mr. Vasant L. Rathi Mr. Chandrakant L. Rathi Mrs. Savita C. Rathi Mr. Mukund M. Kabra	Mr. Vasant L. Rathi Mr. Chandrakant L. Rathi Mrs. Savita C. Rathi Mr. Mukund M. Kabra	Mr. Vasant L. Rathi Mr. Chandrakant L. Rathi Mrs. Savita C. Rathi Mr. Mukund M. Kabra	Mr. Vasant L. Rathi Mr. Chandrakant L. Rathi Mrs. Savita C. Rathi Mr. Mukund M. Kabra	Mr. Vasant L. Rathi Mr. Chandrakant L. Rathi Mrs. Savita C. Rathi Mr. Mukund M. Kabra
Relatives of KMP :						
	Mr. Piyush C. Rathi Mrs Radhika Pujara Mrs.Prabha V. Rathi Ms. Rachana Rathi Ms.Rasika Rathi Ms.Reshma Rathi Mr. Kishore L. Rathi Mrs.Mangala M. Kabra Mrs.Gitanjali M. Kabra	Mr. Piyush C. Rathi Mrs.Radhika Pujara Mrs.Prabha V. Rathi Ms.Rachana Rathi Ms.Rasika Rathi Ms.Reshma Rathi Mr. Kishore L. Rathi Mrs.Mangala M. Kabra Mrs.Gitanjali M. Kabra	Mr. Piyush C. Rathi Mrs.Prabha V. Rathi Ms.Rachana Rathi Ms.Rasika Rathi Ms.Reshma Rathi Mr. Kishore L. Rathi Mrs.Mangala M. Kabra Mrs.Gitanjali M. Kabra	Mr. Piyush C. Rathi Mrs.Prabha V. Rathi Ms.Rachana Rathi Ms.Rasika Rathi Ms.Reshma Rathi Mr. Kishore L. Rathi Mrs.Mangala M. Kabra Mrs.Gitanjali M. Kabra	Mr. Piyush C. Rathi Mrs.Prabha V. Rathi Ms.Rachana Rathi Ms.Rasika Rathi Ms.Reshma Rathi Mr. Kishore L. Rathi Mrs.Mangala M. Kabra Mrs.Gitanjali M. Kabra	Mr. Piyush C. Rathi Mrs.Prabha V. Rathi Ms.Rachana Rathi Ms.Rasika Rathi Ms.Reshma Rathi Mr. Kishore L. Rathi Mrs.Mangala M. Kabra Mrs.Gitanjali M. Kabra
Other Related Parties (companies in which either of the directors or	Atharva Capital Ventures Private	Atharva Capital Ventures Private	Atharva Capital Ventures Private	Atharva Capital Ventures Private	Atharva Capital Ventures Private	Atharva Capital Ventures Private

their relatives have significant influence)	Limited Chandrakant Rathi Financial & Investment Company Private Limited AST Enzymes Rathi Properties LLC Advanced Vital Enzymes Limited	Limited Chandrakant Rathi Financial & Investment Company Private Limited Cal India Foods International (upto April 3, 2011) AST Enzymes Rathi Properties LLC Advanced Vital Enzymes Limited	Limited Chandrakant Rathi Financial & Investment Company Private Limited Cal India Foods International AST Enzymes Rathi Properties LLC Advanced Vital Enzymes Limited (with effect from August 1, 2010)	Limited Chandrakant Rathi Financial & Investment Company Private Limited Cal India Foods International AST Enzymes Rathi Properties LLC	Limited Chandrakant Rathi Financial & Investment Company Private Limited Cal India Foods International AST Enzymes Rathi Properties LLC	Limited Chandrakant Rathi Financial & Investment Company Private Limited Cal India Foods International AST Enzymes Rathi Properties LLC

STATEMENT OF RELATED PARTIES TRANSACTIONS, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)

Particulars	For the period ended September 30,	For the year ended March 31,				
	2012	2012	2011	2010	2009	2008
(b) Transactions with related parties						
KMP & Relatives						
Rent Paid						
Prabha Rathi	-	0.06	-	-	-	-
Remuneration to Directors & their Relatives						
Mr.Chandrakant L. Rathi	2.71	5.77	5.27	4.56	3.08	3.65
Mrs. Savita C. Rathi	1.12	2.33	2.06	1.43	1.43	1.41
Mr. Mukund Kabra	3.16	6.16	4.50	3.63	2.58	2.09
Mr. Kishore L. Rathi	0.88	1.53	1.20	1.10	0.95	0.87
Mrs.Mangala M. Kabra	0.95	1.72	1.32	1.17	1.04	0.95
Mr. Piyush Rathi	1.21	2.42	2.11	1.47	1.40	1.18
Mrs.Prabha V. Rathi	5.34	9.35	-	-	-	-
Mr.Omprakash P. Singh	-	-	-	1.55	1.10	0.54
Ms.Reshma V. Rathi	1.51	2.56	-	-	-	-
Mr. Vasant L. Rathi	6.57	-	-	-	-	-
Commission to directors *						
Mr.Vasant L. Rathi	-	2.06	1.38	1.10	0.67	-
Mr.Chandrakant L. Rathi	-	1.54	1.04	0.82	0.50	-
Mr. Mukund Kabra	-	1.03	0.69	0.55	0.33	-
* included in Employee benefit expense	-	-	0.00	-	-	-
Interest paid on loans						
Mr.Vasant L. Rathi	26.81	75.92	-	-	-	-
Ms.Rachana Rathi	0.44	2.50	-	-	-	-
Ms.Rasika Rathi	0.44	2.50	-	-	-	-
Ms.Reshma Rathi	0.44	2.50	-	-	-	-
Interest on Fixed Deposits						
Mr.Vasant L. Rathi	0.57	1.20	1.22	1.16	0.94	0.88
Mrs.Prabha V. Rathi	0.02	0.05	0.05	0.05	0.05	0.05
Mrs.RadhikaPujara	0.13	0.28	0.26	0.22	0.16	0.15
Mr. Piyush Rathi	0.00	0.01	0.01	0.01	0.08	0.23
Loan / Advances received / paid (Net)						
Mr.Vasant L. Rathi	(56.65)	1,133.23	-	-	-	-
Ms.Rachana Rathi	(2.29)	37.33	-	-	-	-
Ms.Rasika Rathi	(2.29)	37.33	-	-	-	-
Ms.Reshma Rathi	(2.29)	37.33	-	-	-	-
Deposits received/ (repaid)						
Mr.Vasant L. Rathi		-	(2.41)	3.00	-	1.70

Mrs.Prabha V. Rathi		-	(0.08)	-	-	-
Mrs.RadhikaPujara	(0.33)	0.15	(0.15)	0.60	0.30	0.15
Mr. Piyush Rathi		-	-	(0.84)	-	-
Sale of Investment						
Mrs.Gitanjali M. Kabra	-	-	0.38	-	-	-
(C)Balance with Related Parties						
Fixed Deposits						
Mr. V. L. Rathi	10.21	10.21	10.21	12.62	9.62	9.62
Mrs.Prabha V. Rathi	0.41	0.41	0.41	0.49	0.49	0.49
Ms Radhika Rathi	2.18	2.50	2.35	2.50	1.90	1.60
Mr. Piyush Rathi	0.05	0.05	0.05	0.05	0.89	0.89

Particulars	For the period ended September 30,	For the year ended March 31,				
	2012	2012	2011	2010	2009	2008
Advances received						
Mr.Vasant L. Rathi	1,076.58	1,133.23	-	-	-	-
Ms.Rachana Rathi	35.04	37.33	-	-	-	-
Ms.Rasika Rathi	35.04	37.33	-	-	-	-
Ms.Reshma Rathi	35.04	37.33	-	-	-	-
Other Related parties						
Purchases of Goods						
Cal India Foods International	-	-	3.89	10.18	10.42	7.39
Sale of Goods						
AST Enzymes	27.10	51.05	-	-	-	-
Advanced Vital Enzymes Limited	11.90	18.67	8.86	-	-	-
Cal India Foods International	-	-	235.98	151.14	140.41	58.58
Rent Paid						
Rathi Properties LLC	3.64	6.38	-	-	-	-
Interest received						
Advanced Vital Enzymes Limited	3.39	7.59	5.25	-	-	-
Sale of Investment						
Chandrakant Rathi Finance & Investment Private Limited	-	-	1.50	-	-	-
Atharva Capital Ventures Private Limited	-	-	0.94	-	-	-
Mrs.Gitanjali M. Kabra	-	-	0.38	-	-	-
Interest on Fixed Deposits						
Chandrakant Rathi Finance & Investment Private. Limited	0.23	0.51	0.48	0.24	0.10	0.10
Atharva Capital Ventures Private Limited	0.13	0.36	0.32	0.26	0.15	0.15
Advances Paid (Net)						
Advanced Vital Enzymes Limited	(16.37)	(10.68)	8.64	-	-	-
Deposits received/ (repaid)						
Chandrakant Rathi Finance & Investment Private Limited	(0.80)	-	-	3.35	-	-
Atharva Capital Ventures Private Limited	(1.48)	-	-	1.50	0.23	0.23
Outstanding Balances						
Fixed Deposits						
Chandrakant Rathi Finance & Investment Private Limited	3.60	4.40	4.40	4.40	1.05	1.05
Super Biochemicals Private Limited	1.50	2.98	2.98	2.98	1.48	1.70

Investment in Subsidiaries						
Advanced Vital Enzymes Limited	0.57	0.57	0.57	-	-	-
Accounts Receivable						
AST Enzymes	7.07	0.30	-	-	-	-
Advanced Vital Enzymes Limited	12.10	14.75	10.23	-	-	-
Cal India Foods International	-	-	62.19	43.16	30.92	16.94
Trade Payable						
Cal India Foods International	-	-	0.31	-	-	-
Rathi Properties, LLC	-	0.57	-	-	-	-
Advances Paid						
Advanced Vital Enzymes Limited	52.72	69.09	79.87	-	-	-

CONSOLIDATED STATEMENT OF CAPITALISATION, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)
Annexure XXXI

Particulars	**Pre Issue as at September 30, 2012**	**Post Issue**
Borrowing		
Short Term	334.90	•
Long Term	1,594.65	•
	1,929.55	
Shareholder's fund		
Share Capital	214.29	•
Reserve and Surplus	1,186.72	•
Total Shareholder's fund	**1,401.01**	•
Long term borrowing / equity ratio	1.14	•
Total borrowing / equity ratio	1.38	•

Note:

1 The long term borrowings/equity ratio has been computed as under:
Long term borrowings/ total shareholders Funds

2 The total borrowings/equity ratio has been computed as under:
Total borrowings/ Total Shareholders Funds

3 Short term borrowings are considered as borrowing due within 12 months from the balance sheet date.

4 Long term borrowings is considered as borrowing other than short term borrowing, as defined above and also includes thecurrent maturities of vehicle loans and long term borrowings..

5 The figures disclosed above are based on the Restated Summary Statements of the Company.

• Number of share and issue priceis not known hence post issue position have not been presented.

SUMMARY OF ACCOUNTING RATIOS, AS RESTATED
(Amounts in ₹ millions, unless otherwise stated)
Annexure XXXII

S. no.	PARTICULARS	For the period ended September 30,	For the years ended March 31,				
		2012	**2012**	**2011**	**2010**	**2009**	**2008**
A	Net Worth	1,401.01	970.42	632.67	478.56	375.37	317.39
B	Restated profit after tax	278.77	339.85	166.54	114.70	70.11	50.62
	Weighted average number of equity shares outstanding during the year						
C	For Basic earning per share	20.97	20.73	20.73	20.73	10.37	10.37
D	For Diluted earning per share	20.97	20.73	20.73	20.73	10.37	10.37
E	For Restated basic earning per share	20.97	20.73	20.73	20.73	20.73	20.73
F	For Restated diluted earning per share	20.97	20.73	20.73	20.73	20.73	20.73
	Earnings per share ` 10 each						
G	Basic earning per share **(B/C) -** ₹	13.29	16.39	8.03	5.53	6.76	4.88
H	Diluted earning per share **(B/D) -** ₹	13.29	16.39	8.03	5.53	6.76	4.88
I	Restated basic earning per share**(B/E)**	13.29	16.39	8.03	5.53	3.38	2.44
J	Restated diluted earning per share **(B/F)**	13.29	16.39	8.03	5.53	3.38	2.44
K	Return on net worth **(B/A)**	19.90%	35.02%	26.32%	23.97%	18.68%	15.95%
L	Number of shares outstanding at the end of the period/ year	21.43	20.73	20.73	20.73	10.37	10.37
M	Net assets value per share of ₹ 10 each (Rs)	65.38	46.81	30.52	23.08	36.20	30.61
N	Face value (₹) ₹	10	10	10	10	10	10

Notes :-

1) **The ratio has been computed as below :**

Earnings per share-Basic and — Net profit after tax as restated

Diluted = Weighted average number of Equity shares outstanding during the period/year

Net asset value per share(₹) = $\frac{\text{Net worth as restated as at year end}}{\text{Number of equity shares as at period/ year end}}$

Return on net worth (%) = $\frac{\text{Net profit after tax as restated}}{\text{Net worth as restated as at period/ year end}}$

2) Earning per shares (EPS) calculation is in accordance with the notified Accounting Standard 20 'Earnings per share' prescribed by the Companies (Accounting Standards) Rules, 2006.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations is based upon, and should be read in conjunction with, our restated consolidated financial statements for the financial years 2008, 2009, 2010, 2011 and 2012 the six months ended September 30, 2012, including the notes and annexures thereto and the reports thereon, from page 257 of this Draft Red Herring Prospectus. These financial statements are based on our audited consolidated financial statements and are restated in accordance with paragraph B(1) of Part II of Schedule II of the Companies Act and the SEBI Regulations. Our audited consolidated financial statements are prepared in accordance with Indian GAAP, accounting standards issued by ICAI and the relevant provisions of the Companies Act. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are to the twelve month period ended March 31 of that year.

The following discussion and analysis contains forward-looking statements and reflects our management's current view with respect to future events that involve risks and uncertainties. For additional information regarding such risks and uncertainties, see the sections "Forward-Looking Statements" and "Risk Factors" on page 13 and page 14, respectively of this Draft Red Herring Prospectus.

Overview

We are the largest Indian enzyme company engaged in the research & development, manufacturing and marketing of more than 400 proprietary enzyme products developed from 55 enzymes operating in two primary business verticals namely Healthcare & Nutrition and Bio-Processing. We offer these products to our global clientele of more than 700 customers spanning presence across 45 countries worldwide. We supply these value-added enzyme products to diverse end-user industries like healthcare, human nutrition, animal nutrition, food processing, baking, dairy processing, fruit processing, cereal extraction, brewing, grain processing, protein processing and flavors, biomass processing, textile and leather processing, paper and pulp processing, bio-fuels etc. We manufacture enzymes by using all the four existing natural origins namely plant, fungal, bacterial and animal sources, using environment-friendly biotechnology processes. We rank among the top 25 global enzyme companies in terms of sales, and have the second highest market share domestically, next only to the world's largest enzyme company Novozymes.

We have four manufacturing facilities located in India consisting of two integrated fermentation, recovery and formulation facilities located at Sinnar (Nashik, Maharashtra, India) and Indore (Madhya Pradesh, India), one satellite extraction and recovery facility located at Satpur (Nashik, Maharashtra, India), and one satellite blending, mixing and formulation facility located at Vashind (Shahapur, Thane, Maharashtra, India). We also have a satellite blending, mixing and formulation facility for providing customised enzyme blends and proprietary enzyme solutions at Chino (California, United States) through our step down subsidiary Cal India Foods International (doing business as Specialty Enzymes and Biotechnologies) ("SEB"), which primarily caters to the North American market. Most of our clients have audited and approved our facilities and manufacturing processes, which has helped us to establish our reputation and reliability as a supplier of quality enzyme products, and enabled us to receive repeat business as well as attract new customers.

We focus extensively on the research & development (R&D) of various enzymes, enzyme products and customized enzyme solutions, and currently have four R&D laboratories, of which three are in India, including one process development laboratory located at Sinnar (Nashik, Maharashtra, India) and two application development laboratories located at Thane (Maharashtra, India). We also have a quality assurance / control (QA/QC) and custom application R&D laboratory at our Chino facility in California, United States. Our overall R&D and QA/QC team consists of more than 60 members comprising of scientists, microbiologists, engineers, food technologists and biotechnologists. Our consistent focus on R&D is demonstrated by the fact that 6.72%, 8.05% and 6.37% of our restated standalone net sales for FY12, FY11 and FY10 respectively were invested in R&D activities. Our persistent R&D efforts have enabled us to continuously develop new and innovative enzyme products for various applications. We already have nine registered patents and have filed for another six patents. We have over 100 registered trademarks and additional 22 trademarks have been applied for registration. We also have five registered copyrights and have applied for the registration of one additional copyright.

Our key international markets include North America, South America, Europe, Japan and South-East Asia Pacific. Some of our domestic customers include Sanofi India, Nestle India, Abbott Healthcare, Cipla, Ipca Laboratories, Alkem Laboratories, Emcure Pharmaceuticals and Torrent Pharmaceuticals, and some of our international customers include Higuchi Inc., Stockmeier and BASF Personal Care & Nutrition GmbH. Both domestic and international markets are well supported by our dedicated sales & marketing team.

In order to expand our presence in the North American market, we recently acquired 100% shareholding in SEB and Advanced Supplementary Technologies Corporation ("AST Enzymes"), both based in California, United States for a total consideration of USD 31.98 million and USD 3.10 million respectively. SEB primarily operates in Healthcare & Nutrition vertical and is engaged in providing customised enzyme blends and proprietary enzyme solutions to its clients. SEB also offers QA/QC & custom application R&D facility along with product formulation from conception to finished product. AST Enzymes primarily operates in Healthcare & Nutrition vertical and is engaged in retail marketing of natural supplements which provides health benefits without the common side effects of chemical drugs. These supplements are provided in four main categories which includes cardiovascular, anti-inflammatory, joint, and digestive & colon health. The acquisition of these companies has enabled us to tap their large client base thereby enhancing our presence in the North American market and hence widening our customer base. These acquisitions have also helped us in enhancing our wide product portfolio by having access to the proprietary and customised solutions offered by SEB and AST Enzymes. Both these companies were acquired from Promoter and Promoter group and for further details regarding the same, please refer to the chapter titled "History and Certain Corporate Matters – Acquisition of Businesses / Undertakings" on page 215 of this Draft Red Herring Prospectus. We have also set-up another subsidiary in Netherlands namely Advanced Enzyme Europe B.V. to expand our presence in the European market.

Our restated consolidated revenue from operations increased from ₹ 613.78 million in FY2008 to ₹ 1,717.40 million in FY2012, representing a CAGR of 29.33%. Our consolidated restated profits after tax increased from ₹ 50.62 million to ₹ 339.85 million during the same period at a CAGR of 60.97%.

Our restated consolidated revenue from operations increased in FY2012 by 47.32% over FY2011. Our restated consolidated profits after tax increased by 104.07% in FY2012 over FY2011, mainly on account of the SEB acquisition. Our restated consolidated revenue from operations for the six months ended September 2012 is ₹ 1,120.84 million. Our consolidated restated profits after tax for the six months ended September 2012 is ₹ 278.77 million.

We have been a consistent profit making and dividend paying Company since 1997. In fiscal 2012, about 62.14% of our revenues were from international business and remaining from the domestic market. Contribution from our key business verticals over six month period ended September 30, 2012 and FY12, FY11 and FY10 are as follows:

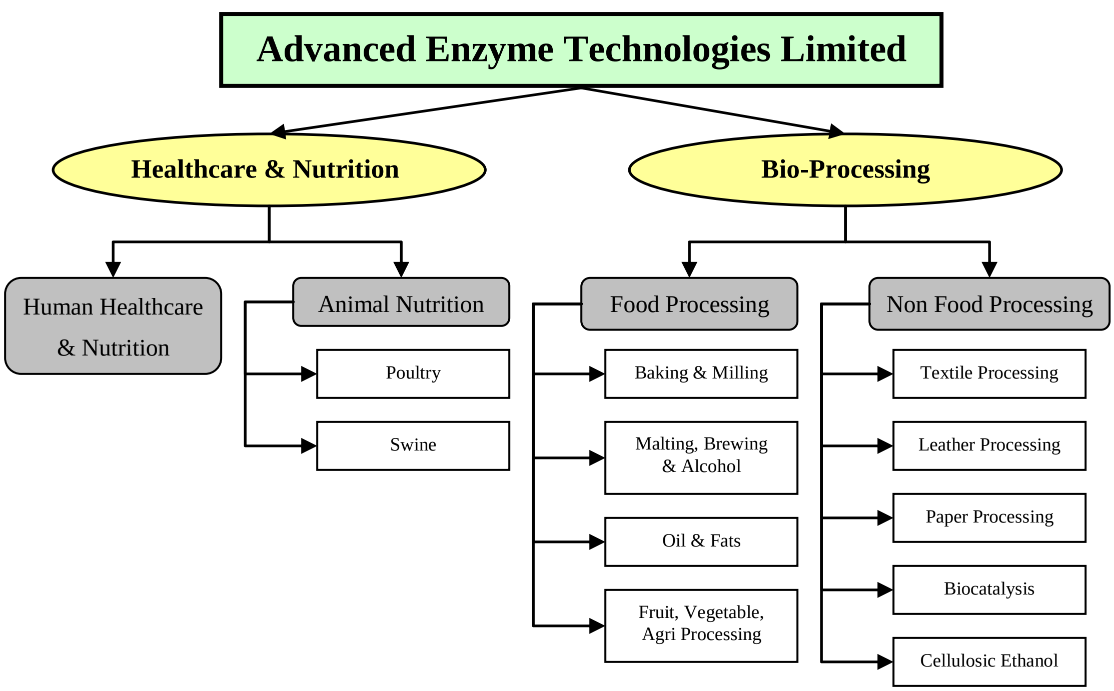
	H1 FY13		**FY12**		**FY11**		**FY10**	
Total Revenue – Business Verticals	**INR Mn**	**% of Total Revenue**	**INR Mn**	**% of Total Revenue**	**INR Mn**	**% of Total Revenue**	**INR Mn**	**% of Total Revenue**
Healthcare & Nutrition	881	79%	1,253	73%	957	82%	888	78%

	H1 FY13		FY12		FY11		FY10	
Total Revenue – Business Verticals	**INR Mn**	**% of Total Revenue**	**INR Mn**	**% of Total Revenue**	**INR Mn**	**% of Total Revenue**	**INR Mn**	**% of Total Revenue**
Bio-Processing	240	21%	464	27%	209	18%	250	22%

Under the leadership of Mr. Chandrakant Laxminarayan Rathi and Mr. Vasant Laxminarayan Rathi having a combined experience of over six decades in the global enzyme industry, we have been able to expand our presence in existing markets and explore new market opportunities. The superior knowledge and understanding of the industry by our promoters has led us to win several awards and recognitions. We were one of the recipients of the fastest growing mid sized business award organized by Inc. India in year 2013. We were also awarded the Most Innovative Exporter Award organized by Dun & Bradstreet for 2012. We have also been the recipient of the Bio-Excellence Award instituted by the Department of Information Technology, Biotechnology and Science and Technology, Government of Karnataka in the Industrial Biotech Sector for 2010. We have also been honoured with the 'Emerging India Awards 2010' for Life science-Pharmaceuticals & Chemicals segment organized by ICICI Business Banking and CNBC TV18. We have been recognized as a "Star Export House" by Director General of Foreign Trade. Besides, one of our patents has also got registered under "IPCT" in US Patent in 2011-12.

Key Business Verticals

The following chart enumerates the key business verticals in which we currently operate and the industries that we cater to under such verticals:



<u>Healthcare & Nutrition:</u>

- ***Human Healthcare & Nutrition:*** We provide our proprietary enzyme products and customized enzyme solutions to various pharmaceutical companies in India and globally. Some of our key customers in this business vertical include Sanofi India, Abbott Healthcare, Cipla, Ipca Laboratories, Alkem Laboratories, Emcure Pharmaceuticals and Torrent Pharmaceuticals.

- ***Animal Nutrition:*** Through our subsidiary Advanced Bio-Agro Tech Limited, we provide enzyme based nutritional supplements for animal nutrition, mainly catering to poultry and swine. Our product offering enables animals to maximize the nutrients they absorb from the feed, thus helping in reducing feed costs, minimizing animal waste production and accordingly helping to reduce environmental pollution. Some of our key customers in this business vertical are Higuchi Inc., Godrej Agrovet, Suguna Poultry Farms and Acme Laboratories.

Bio-Processing:

- ***Food Processing:*** We provide our proprietary enzyme based products and solutions for replacing hazardous and side effect causing chemicals / additives in food processing industries like baking & milling, malting and brewing, milk and dairy, fruit and vegetable processing, natural product extraction and starch and alcohol. Some of our key customers in this business vertical are Hindustan Unilever, Nestle India, SAB Miller, BASF Personal Care & Nutrition GmBH, Mohan Meakin, Barmalt India and Imperial Malt

- ***Non Food Processing:*** Through our wholly owned subsidiary Advanced EnzyTech Solutions Limited, we offer eco-safe solutions to replace various harsh chemical processes in variety of industries such as textiles, leather, detergent and pulp and paper. The products, we offer, reduces the effluent load and thereby helps our clients to comply with the pollution norms reducing overall process cost. Some of our key customers in this business vertical are S&D Associates and Bextex.

OUR STRENGTHS

We consider the following to be our principal competitive strengths:

Research Driven Company with Strong enzyme development and manufacturing capabilities

We are a research driven company and have invested significant resources in the research & development (R&D) of various enzymes, proprietary enzyme products and customized enzyme solutions since inception. Our consistent focus on R&D is demonstrated by the fact that 6.72%, 8.05% and 6.37% of our restated standalone net sales for FY12, FY11 and FY10 respectively were invested in R&D activities.

We presently have four R&D laboratories, of which three are in India, including one laboratory located at our Sinnar (Nashik, Maharashtra, India) manufacturing facility, two laboratories located at Thane (Maharashtra, India), and one laboratory located at the Chino facility in California, United States. The Sinnar R&D facility is a process development laboratory, approved by the Department of Scientific and Industrial Research (DSIR), focussing on enhancing the production efficiencies during the fermentation process, enhancing downstream processing capabilities and improving recovery and purification yields. One of the R&D laboratories located in Thane supports the Healthcare & Nutrition business vertical, by focussing on the development of various therapeutic enzyme formulations for use in effective and safe medications, for the Healthcare business, and the development of various innovative enzyme applications for the Nutrition business. The second R&D laboratory located in Thane supports the Bio-Processing business vertical by focussing on the development of innovative enzyme applications that lead to improvement in the product quality and process efficiency across various industries like baking, fruit processing, brewing and malting, textile, leather, paper, bio-catalysis etc. Our fourth R&D laboratory located at Chino primarily focuses on quality assurance / control, custom application R&D and providing testing services for our customers.

We are one of the largest enzyme manufacturers in South East Asia with an aggregate fermentation capacity of 360 cubic meters per annum. Our first fermentation facility, which was established at Sinnar in 1993, is ISO 9001:2008 and WHO cGMP certified with an aggregate fermentation capacity of 120 cubic meters per annum. In 2008, we started our Indore unit as a recovery and formulation facility at the Pithampur Special Economic Zone, to enhance our focus on the international export markets ("Phase-I"). The Indore plant was then expanded by adding a state-of-the-art fermentation facility with an aggregate capacity of 240 cubic meters per annum in September 2012 ("Phase-II"). The Indore facility is currently undergoing verification for ISO 22000:2005 certification. We propose to further enhance the manufacturing capacity at Indore by adding fermentation capacity to the tune of an additional 240 cubic meters per annum ("**Phase-III**"), thereby enhancing the capacity of the Indore facility to 480 cubic meters per annum, for which we propose to utilize funds from the Net Proceeds of the Fresh Issue. *For further details regarding the same, please refer to the Chapter titled "Objects of the Issue" on page 117 of this Draft Red Herring Prospectus.*

The Satpur unit is our oldest manufacturing facility functioning as a satellite extraction and recovery facility with an aggregate capacity 36 metric tons per annum. The Vashind facility is a satellite blending, mixing and formulation facility dedicated to our animal nutrition business producing over 2,000 metric tons of feed ingredients per annum, and is also equipped with a large storage area. Our step down subsidiary SEB provides customized enzyme blends and proprietary enzyme solutions for its customers in North America through a satellite blending, mixing and formulation facility at Chino, California. We have received "*Indian FDA*" certification for several of our products as well as other global standard certifications such as "*HALAL*", "*Kosher*", "*NPOP Organic*", "*GOTS*", "*GMP+*" etc.

Our large manufacturing capacity coupled with more than 60 member team of scientists, microbiologists, engineers, food technologists and biotechnologists, has enabled us to develop new enzymes, enzyme products and customized solutions across our business verticals for the domestic and international markets. Conceiving an enzyme, developing commercially viable production yields, developing value-adding novel applications and later commercializing the enzyme product successfully is one of our biggest strengths. Over the years, we have successfully developed and commercialized 55 enzymes. This can be demonstrated from the fact that as on March 31, 2006 we had an enzyme portfolio of 15 enzymes, whereas as on February 28, 2013, the number of enzymes in our portfolio is 55.

Integrated Player with presence across the Enzyme Value Chain

We are an integrated company with presence across the enzyme value chain, covering the entire range of activities from research & development, commercial-scale manufacturing, to marketing of enzyme products and customized enzyme solutions. Unlike various other players in the industry, which are present in only some parts of the value chain, our integrated presence enables us to be cost-effective vis-à-vis competition, and helps us ensure end-to-end quality control resulting in superior products. This also allows us to cater to our clients' unique requirements, and provide them customized value-added solutions, which further enhances our business profile and strengthens our client relationships.

Experienced Promoters and Strong Management Team

Our Promoters Mr. Chandrakant Rathi and Mr. Vasant Rathi together have a cumulative experience of over six decades in the global enzyme industry, which helps us in assessing market opportunities, estimating future potential of new products and applications, and positioning ourselves in the market accordingly. Their superior industry knowledge and understanding also gives us the key competitive advantage enabling us to expand our geographical and customer presence in existing as well as target markets, while exploring new growth avenues. Our Promoters are supported by a well-qualified and strong management team with several years of industry experience in their respective domains of research, quality control, sales, marketing, strategy and finance. For further details regarding our Key Managerial Personnel, please refer to the Chapter titled "Our Management – Key Managerial Personnel" on page 226 of this Draft Red Herring Prospectus.

Specialized Business with high entry barriers

Manufacturing of enzymes, enzyme based products and solutions requires specialized knowledge of the enzyme industry as well as the end-user industries in which such these products and solutions can be utilized. Presently, other than our Company, domestic players like Biocon, Lumis Biotech, Maps Enzymes and Rossari Biotech, and foreign MNCs like Novozymes A/S, DSM Nutritional Products and Danisco operate in the enzyme manufacturing space in India. Factors such as technical nature of the business, heavy reliance on research and development and dearth of qualified professionals with experience in enzyme and biotechnology industry operates as an entry barrier to new players in the market. One of the biggest challenges facing new companies looking to enter the enzyme industry is obtaining sufficient capital to sustain research and development efforts, until products can be brought to market. This is also the reason the enzyme industry has very few players, and the top players account for a significant portion of the global market share. Our Promoters have a cumulative experience of over six decades in the global enzyme industry and are well supported by qualified professionals having significant experience in the enzyme and biotechnology industry. We believe that our large manufacturing capacities, experienced promoters and track record together with our in house ability to develop new products distinguish us from other players in the market.

Strong Sales & Marketing network in India & North America with growing presence in target markets

Our global presence is spread across 45 countries worldwide with USA, India, Europe and other geographies accounting for 43%, 38%, 10% and 9% of our FY12 sales. Our global focus is visible from the fact that in FY12 nearly 62.14% of our revenues came from our international business with the domestic business accounting for the remaining 37.86%.

In particular, we have a strong sales and marketing network in our two major markets namely North America and India, with an overall team strength of more than 15 people. In addition, through our network of 4 international distributors, we also cater to European, Latin American and African markets. The North American and Indian markets account for 81% of our total revenue from operations.

In order to expand our presence in the North American market, we recently acquired 100% shareholding in SEB and Advanced Supplementary Technologies Corporation ("AST Enzymes"), both based in California, United States for a total consideration of USD 31.98 million and USD 3.10 million respectively. SEB primarily operates in Healthcare & Nutrition vertical and is engaged in providing customised enzyme blends and proprietary enzyme solutions to its clients. SEB also offers QA/QC & custom application R&D facility along with product formulation from conception to finished product. AST Enzymes primarily operates in Healthcare & Nutrition vertical and is engaged in retail marketing of natural supplements which provides health benefits without the common side effects of chemical drugs. These supplements are provided in four main categories which includes cardiovascular, anti-inflammatory, joint, and digestive & colon health. The acquisition of these companies has enabled us to tap their large client base thereby enhancing our presence in the North American market and hence widening our customer base. These acquisitions have also helped us in enhancing our wide product portfolio by having access to the proprietary and customised solutions offered by SEB and AST Enzymes.

Wide Product Portfolio and Customer Base

We are one of the few enzyme manufacturing companies in India catering to various sectors and end-user industries. We have a wide presence in Healthcare & Nutrition and the Bio-Processing verticals and cater to some of the leading and reputed Indian and global companies such as Sanofi India, Cipla, Godrej Agrovet, Nestle India, BASF Personal Care & Nutrition GmbH, etc…As a result of the recent acquisition of SEB and AST Enzymes, both based in California, United States, our customer base has substantially increased enabling us to directly cater to the various clients in North American market. With our consistent track record and wide product portfolio, we have been able to obtain repeat orders from many of our customers, and have also been able to attract new clients.

OUR STRATEGIES

Our business objective is to grow our revenues and profits through increased market presence. We intend to do so by enhancing our geographical reach to key target markets, increasing our products and customized solution offerings in established markets, and expanding into target business verticals presenting significant growth potential. This may require us to invest significant resources towards our R&D activities for product development, enhance our sales and marketing network in key target geographies, expand our manufacturing capacities, undertake domain specific strategic business alliances with key industry players as well as explore acquisition opportunities to accelerate our growth through the inorganic route. These key elements of our business strategy are described in greater detail herein:

Continue to invest significantly in research & development

We believe that we possess the necessary skills, technology, know-how, in-house R&D capabilities and intellectual property competence, to develop new enzymes, enzyme products and customized enzyme solutions, which can be manufactured and marketed in both domestic and international markets. Our R&D strategy is focussed towards developing new products to augment our product portfolio across existing business verticals of Healthcare & Nutrition and Bio-Processing, improving our process efficiencies and productivity across our manufacturing facilities, and developing high quality enzyme products and solutions in target business verticals, which are capable of offering superior efficacy and efficiency than the existing products, processes or solutions currently being used.

Our R&D and QA/QC team consists of more than 60 members comprising of scientists, microbiologists, engineers, food technologists and biotechnologists. Over the years, we have developed & marketed more than 400 proprietary enzyme products. As of February 2013, we have filed for 15 patents, through our in-house R&D team, of which we have been granted 9 patents so far. Commercialization of some of these patents in the future shall contribute to the growth of our business. *For more details on the status of our patents and Intellectual Property Rights, please refer to "Intellectual Property Rights" beginning on page 204 of this Draft Red Herring Prospectus.*

Going forward, we intend to expand our research and development capabilities, by increasing our investment in technology and setting-up state-of-the-art R&D and innovation centres. We intend to employ qualified individuals from the enzyme industry thereby augmenting our dedicated in-house R&D team. We believe that continued investments in R&D will enable us to introduce new product lines enabling us to penetrate new market segments. Towards this end, we intend to establish an R&D centre at Nashik and another R&D and Innovation centre at Thane, by utilizing certain portion of funds from the Net Proceeds of the Fresh Issue. *For further details regarding the same, please refer to the chapter "Objects of the Issue" beginning on page 117 of this Draft Red Herring Prospectus.*

Enhancing our global presence

We seek to enhance our geographical presence in the Latin American and South East Asian markets through our existing set-up in North America and India respectively. Additionally, we seek to enhance our presence in the European market, for which we have already set-up a subsidiary in Netherlands namely Advanced Enzyme Europe B.V., and have also started hiring sales and marketing personnel.

Expansion of Manufacturing Capacities and maintaining cost leadership

We intend to continue to invest in physical and operational infrastructure to meet the industry demands. We have five manufacturing facilities located in Sinnar, Satpur, Thane, Indore and California (USA). Given the increasing demand of enzyme based application in various industry segments, we propose to further increase our manufacturing capacity by expanding our existing fermentation facility at Indore. We believe that the capacity expansion will enable us to cater to the growing demand for enzyme based solutions across industry segments. We hence propose to enhance the manufacturing capacity at Indore by adding fermentation capacity to the tune of an additional 240 cubic meters per annum ("**Phase-III**"), thereby enhancing the capacity of the Indore facility to 480 cubic meters per annum and our overall capacity to 600 cubic meters per annum. *For further details, please refer to "Objects of the Issue" on page 117 of this DRHP.*

To achieve inorganic growth through strategic acquisitions and investments

We intend to explore inorganic opportunities for expanding our reach in Europe and the North American markets through potential acquisitions, as and when such opportunities arise. In pursuit of this, we continuously evaluate inorganic opportunities for expanding our international footprint, augmenting our manufacturing capacities, strengthening our research & development capabilities, and acquiring technologies which can enable us to maintain / improve our cost leadership. Our Strategy is to acquire target companies that offer strong strategic fit to our existing business, possess domain / technology expertise, have a good client base & strong management team and wide selling & marketing network. This shall enable us to augment our product / service offerings, add more customers each year, improve our service standards and customer satisfaction levels continuously, by providing our clientele with a wide choice of products and flexibility to meet their changing needs. We may look at target companies with complementary technological skills or product portfolio, along with significant customer reach across our key target geographies.

After our recent acquisitions in North America, we seek to further enhance our position globally. Through strategic acquisitions, we can get ready access to newer markets / geographies and augment our product / service offerings. Thus, in terms of our overall growth strategy, we continue looking at inorganic growth actively, and may consider consolidating our market share through acquisitions, if targets provide a strong strategic fit at a reasonable price. This will also enable us to consolidate our sourcing needs, giving us better buying power and yielding cost savings. We shall also consider entering into strategic partnerships or making investments into companies, as part of this inorganic growth strategy. We also propose to utilize some portion of the funds raised in the Issue, towards this purpose.

Expanding into target business verticals presenting significant growth potential

Currently, we cater to two primary business verticals of Healthcare & Nutrition and Bio-Processing. We intend to expand into target business verticals, which present significant growth potential and are in-line with the company's growth strategy. We intend to do the same by developing new enzymes, enzyme products and customized solutions through our in-house R&D capabilities in target business verticals including baking, fruit & wine processing, brewing & malting, bio-catalysis etc.

Significant Factors Affecting Our Results of Operations

Our financial condition and results of operation are affected by numerous factors, the following of which are of particular importance:

Economic growth in India

India has per capita GDP (PPP) of US$ 3,900 (2012 est.) and ranks 164 in the world (Source: CIA World Factbook). Real GDP in India is expected to advance 7.9% annually through 2015, slower than the 2005-

2010 pace but well above the regional average. On a per capita consumption basis, a general correlation exists between enzyme demand and per capita GDP. The low per capita GDP of India and correlation between per capita GDP and enzyme demand indicates significant potential and headroom for growth in the Indian enzyme market.

In addition, the general health of the leisure hospitality industry is affected by the performance of the Indian economy. The outlook of India's medium-term growth is positive due to a young population and corresponding low dependency ratio, healthy savings and investment rates, and increasing integration into the global economy.

Competition

We are the largest Indian enzyme manufacturer, with a global presence, strong product profile and specializing in research, development and manufacturing of various types of enzymes.

In the domestic market, we believe we are one of the few enzymes manufacturing companies having in-house R&D facilities, offering diverse enzyme solutions across Human Healthcare & Nutrition, Animal Nutrition, Food Processing & Non Food Processing segments.

Being a R&D intensive business, there are very few enzyme manufacturers in India. There are also several trading companies which procure concentrated enzymes, reformulate them and sell them into the domestic market. In the domestic market, we compete with Indian companies such as Biocon, Lumis Biotech, Maps Enzymes and Rossari Biotech, and with foreign MNCs like Novozymes A/S, DSM Nutritional Products and Danisco.

In the overseas markets like US, Europe and China, we compete with established companies who offer enzyme products and solutions like Danisco (Denmark), Novozymes (Denmark), DSM Nutritional Products (Switzerland), AB Enzymes (UK), Dyadic International (USA) and Amano Enzymes (Japan).

Product Development

Our ability to manufacture innovative products is critical to launch new products for different applications in the markets. To grow our product portfolio, we continually invest in research and development. We must ensure that our research and development efforts result in the addition of new products to our existing products offering and improvements in our productivity and effeciency.

Our ability to retain our skilled personnel

Our large manufacturing capacity together with our 60+ member team of scientists, microbiologists, engineers, food technologists and biotechnologists, has enabled us to develop in-house research and development capabilities to provide solutions for our primary business verticals. Factors such as technical nature of the business, heavy reliance on research and development and dearth of qualified professionals with experience in biotechnology and enzyme industry operates as an entry barrier to new players in the market.

Our Promoters have a cumulative experience of over six decades in the enzyme business and are well supported by qualified professionals having experience in biotechnology and enzyme industry. We believe that our large manufacturing capacities, experienced promoters, ability to retail skilled personnel and track record together with our in house ability to develop new products distinguishes us from other players in the market.

Government Policies and Regulations

We are required to comply with various rules and regulations that are applicable to us. In particular, we have to seek consents from the various State Government and Government agencies necessary to carry on our business. *For details on key policies and regulations applicable to us, please refer to the chapters titled "Government and Other Statutory Approvals" and "Key Industry Regulations and Policies" beginning on page 426 and 210 of this Draft Red Herring Prospectus.*

Fluctuations in Exchange Rates

We generate a significant portion of our revenues from USA and other European countries, and a significant portion of our expenses are incurred in Rupees. In fiscal 2012, about 62.14% of our revenues were from international business and remaining from the domestic market.

To some extent, we are hedged through pre shipment packing credit for our exports. However, an appreciation of the Rupee, particularly with respect to the U.S. Dollar, decreases the Rupee value of our revenues.

Critical Accounting Policies

Only our key accounting policies that are relevant and specific to our business and operations are described below. For details on our significant accounting policies, see "Financial Statements – Annexure [●] – Notes to the Restated Assets and Liabilities, Profits and Losses and Cash Flow – C.1 – Statement of significant accounting policies" on page 257 of this Draft Red Herring Prospectus.

Change pursuant to amendment to Accounting Standard (AS-11) – Exchange differences arising on reporting of long term foreign currency monetary items

The Central Government vide notification dated March 31, 2009 had amended Accounting Standard (AS-11) - The effects of changes in Exchange Rates notified under the Company's (Accounting Standard) Rules, 2006. Accordingly, the Company had exercised the option stated in paragraph 46 of AS 11 retrospectively from April 1, 2007. Consequently, the Company had recognised the Exchange differences arising on reporting of long term foreign currency monetary items, in so far as they relate to the acquisition of depreciable capital assets, which are added to or deducted from the cost of the asset and are depreciated over the balance life of the asset.

Revenue from Operations

i. Revenue is recognised to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured

ii. Revenue from sale of products is recognised on delivery of the products, when all significant contractual obligations have been satisfied, the property in the goods is transferred for a price, significant risks and rewards of ownership are transferred to the customer/agent and no effective ownership is retained. Sales are inclusive of excise duty and net of sales tax and discounts

iii. Export incentives received persuant to the Duty Drawback Scheme are accounted for, on an accrual basis, to the extent it is probable that realisation is certain.

iv. Interest revenue is recognised on a time proportionate basis, taking into account the amount outstanding and the rates applicable

Fixed Assets, Depreciation and Amortisation

i. Fixed assets, both tangible and intangible are stated at cost of acquisition. Cost includes taxes, duties, freight and other incidental expenses related to acquisition and installation of the assets. Interest on borrowings to finance acquisition of fixed assets during qualifying period is capitalised

ii. Leasehold improvements represent expenses incurred towards civil work and interior furnishings on the leased premises

iii. Costs relating to acquisition of technical know-how and software are capitalised as Intangible Assets.

iv. Depreciation on fixed assets other than plant & equipments has been provided on written down value method and on plant and equipments on straight line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956

v. Leasehold improvements and leasehold land are depreciated over the unexpired primary period of lease except for lease hold land acquired under perpetual lease

vi. Depreciation on assets not owned by the Company is provided over the period of the economic life of the assets estimated at five years

vii. Intangible Assets are amortised on a straight line basis over a period of four years

viii. Individual items of fixed assets capitalised during the year costing up to rupees five thousand each are fully depreciated in the first year

Investments

Investments are classified into long-term investments and current investments. Long-term investments are carried at cost. Provision for diminution in the value of long-term investments is not provided for unless it is considered other than temporary. Current investments are valued at lower of cost and net realisable value.

Foreign Currency Transaction

i. Initial Recognition - Transactions denominated in foreign currencies are recorded at the rates of exchange prevailing on the date of the transaction

ii. Conversion - Monetary assets and liabilities denominated in foreign currency are converted at the rate of exchange prevailing on the date of the Balance Sheet

iii. Exchange Differences - All exchange differences arising on settlement/conversion on foreign currency transactions are included in the statement of Profit and Loss in the year / period in which they arise

Derivative Instruments

i. The Parent Company limits the effects of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives. The Parent Company enters into forward exchange contracts, where the counterparty is a bank

ii. As per Accounting Standard ('AS') 11 - The Effects of Changes in Foreign Exchange Rates', the premium or the discount on forward exchange contracts not relating to firm commitments or highly probable forecast transactions and not intended for trading or speculation purpose is amortized as expense or income over the life of the contract. All other derivatives, which are not covered by AS 11, are measured using the mark-to-market principle and losses, if any, are recognised in the statement of Profit and Loss, as Restated of the Parent Company

Impairment of Assets

i. In accordance with Accounting Standard (AS) 28 on 'Impairment of Assets' as notified by the Central Government under the Companies Act, 1956, the carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of the assets or where applicable, that of the cash generating unit to which the asset belongs is estimated as the higher of its net selling price and its value in use. An impairment loss is recognized whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Impairment loss is recognized in the statement of Profit and Loss or against revaluation surplus where applicable.

Inventories

i. Inventories of stores, spares, packing materials, raw materials, finished goods and stock in process are valued at lower of cost or net realisable value.

ii. Cost of raw materials, stores, spares and packing materials is determined on first-in-first-out basis except for stock of not ordinarily interchangeable raw materials, which are determined on their specific individual costs. Cost of finished goods and stock in process is determined by considering materials, labour and other related direct costs incurred in bringing the inventories to their present condition and location.

Inventories

iii. Inventories of stores, spares, packing materials, raw materials, finished goods and stock in process are valued at lower of cost or net realisable value.

iv. Cost of raw materials, stores, spares and packing materials is determined on first-in-first-out basis except for stock of not ordinarily interchangeable raw materials, which are determined on their specific individual costs. Cost of finished goods and stock in process is determined by considering materials, labour and other related direct costs incurred in bringing the inventories to their present condition and location.

Employee benefits (AS 15-Revised)

All short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.

Defined contribution plans

i. The respective company contributes to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 that is a defined contribution plan and contribution paid or payable is recognised as an expense in the period in which the employee renders services.

ii. Superannuation benefits, a defined contribution plan, have been funded with Life Insurance Corporation of India and the contribution is charged to Consolidated Statement of Profit and Loss, when the contribution to the fund is due.

Defined Benefit Plans

The Company's liability towards compensated absences, being defined benefit plan, is accounted for on the basis of an independent actuarial valuation done at the year end and actuarial gains/losses are charged to the Consolidated Statement of Profit and Loss.

The Company provides for gratuity benefit, which is a defined benefit plan, covering all its eligible employees. Liability under gratuity plan is determined on actuarial valuation done by Life Insurance Corporation of India (LIC) during the year / period, based upon which the Company contributes to the scheme with LIC. The Company also provides for the additional liability over the amount determined by LIC based on an actuarial valuation done by an independent actuary as at the balance sheet date.

In case of one of the subsidiary, Cal India Food International has a discretionary profit sharing plan and 401(k) matching plan covering substantially all of eligible employees of that company. Profit sharing is funded through annual contributions to the plan.

Income Taxes

Current Tax

Current tax payable in India is computed and provided for in accordance with the applicable provisions of the Income Tax Act, 1961.

Deferred Tax

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that such deferred tax assets can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Borrowing Costs

Borrowing costs incurred on constructing or acquiring a qualifying asset are capitalised as cost of that asset until it is ready for its intended use or sale. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are charged to revenue and recognised as an expense in the statement of Profit and Loss.

Research and Development costs

Research and development costs, incurred for development of products are expensed as incurred, except for development costs that relate to the design and testing of new or improved materials, products or processes which are recognised as an intangible asset to the extent that it is expected that such assets will generate future economic benefits. Capital expenditure on research and development is included as part of fixed assets and depreciated on the same basis as other fixed assets.

Provisions and Contingencies

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources embodying economic benefits and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Leases

Leases where the lesser effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of Profit and Loss.

Earning per share (AS 20)

Basic earnings per share are calculated by dividing the restated net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average numbers of equity shares outstanding during the period are adjusted for events of bonus issue.

For the purpose of calculating diluted earnings per share, the restated net profit or loss for the period attributable to equity hareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Cash and cash equivalents (AS 3)

Cash and cash equivalents comprise cash at bank and in hand and short term bank deposits with an original maturity of three months or less.

Share issue expenses

The share issue expenses will be adjusted against the balance in Securities Premium Account as permitted under Section 78 of the Companies Act, 1956.

Results of Operations

For the financial year ended March 31, 2012 and the six months ended September 30, 2012, our restated consolidated profit after tax margin was 19.46% and 24.47%, respectively. For the financial year ended March 31, 2012 and the six months ended September 30, 2012 our restated consolidated EBITDA margin on total revenue was 37.60% and 43.27%, respectively. For the financial year ended March 31, 2012 and the six months ended September 30, 2012, our restated consolidated return on net worth was 35.02% and 19.90% (not annualized), respectively.

The following table sets forth select financial data from our restated consolidated statement of profit and loss for the financial years ended March 31, 2008, 2009, 2010, 2011 and 2012 and the six months ended September 30, 2012, the components of which are also expressed as a percentage of total income for such periods.

	For period ended		For the year ended March 31,							
Particulars	**September 30, 2012**	**% of Total Income**	**2012**	**% of Total Income**	**2011**	**% of Total Income**	**2010**	**% of Total Income**	**2009**	**% of Total Income**
Revenue										

Revenue from operations	1120.84	98.40%	1717.40	98.36%	1165.73	97.13%	1137.67	98.60%	847.64	99.44%
Other income	18.25	1.60%	28.56	1.64%	34.46	2.87%	16.15	1.40%	4.79	0.56%
Total revenue	**1139.09**	**100.00%**	**1745.96**	100.00%	**1200.19**	100.00%	**1153.82**	100.00%	**852.43**	100.00%
Expenses										
Cost of materials consumed	330.72	29.03%	514.95	29.49%	404.97	33.74%	480.47	41.64%	321.86	37.76%
Changes in inventories of finished goods and work-in-progress	-23.15	-2.03%	-36.76	-2.11%	65.16	5.43%	-11.16	-0.97%	14.35	1.68%
Employee benefits expenses	115.63	10.15%	201.33	11.53%	133.83	11.15%	137.20	11.89%	104.38	12.24%
Finance costs	28.12	2.47%	122.38	7.01%	23.09	1.92%	31.27	2.71%	39.23	4.60%
Depreciation and amortisation expense	28.39	2.49%	54.98	3.15%	49.89	4.16%	51.27	4.44%	47.04	5.52%
Other expenses	239.80	21.05%	408.32	23.39%	333.40	27.78%	304.32	26.37%	232.70	27.30%
Total expenses	**719.51**	**63.17%**	**1265.20**	**72.46%**	**1010.34**	**84.18%**	**993.37**	**86.09%**	**759.56**	**89.11%**
Profit before extraordinary item and tax	**419.58**	**36.83%**	**480.76**	**27.54%**	**189.85**	**15.82%**	**160.45**	**13.91%**	**92.87**	**10.89%**
Loss of goods in transit	0.00	0.00%	1.51	0.09%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Profit before tax	**419.58**	**36.83%**	**479.25**	**27.45%**	**189.85**	**15.82%**	**160.45**	**13.91%**	**92.87**	**10.89%**
Tax expense										
Current tax	126.36	11.09%	143.24	8.20%	28.80	2.40%	45.46	3.94%	8.52	1.00%
Less : MAT credit entitlement	23.34	2.05%	5.00	0.29%	14.60	1.22%	0.00	0.00%	0.00	0.00%
Deferred tax	31.94	2.80%	-2.14	-0.12%	7.17	0.60%	-5.99	-0.52%	10.38	1.22%
Fringe benefit tax	0.00	0.00%	0.00	0.00%	0.00	0.00%	0.00	0.00%	1.42	0.17%
Total Tax	**134.96**	**11.85%**	**136.10**	**7.80%**	**21.37**	**1.78%**	**39.47**	**3.42%**	**20.32**	**2.38%**
Profit after tax before Minority interest	**284.62**	**24.99%**	**343.15**	**19.65%**	**168.48**	**14.04%**	**120.98**	**10.49%**	**72.55**	**8.51%**
Less: Share of Minority interest	5.85	0.51%	3.30	0.19%	1.94	0.16%	6.28	0.54%	2.44	0.29%
Profit after tax , As restated	**278.77**	**24.47%**	**339.85**	**19.46%**	**166.54**	**13.88%**	**114.70**	**9.94%**	**70.11**	**8.22%**

Income

Our income consists of revenue from operations and other income. Revenue from operations consists of sale of enzymes to four segments namely Human Nutrition and Life Sciences, Animal Nutrition, Food Processing and Industrial Processing. Revenue from operations can be further classified into:

- Domestic sales
- Exports, majorly to North America, South America, Europe, Japan, Asia Pacific

Other income majorly comprises interest income and export incentives. Apart from these two income heads, it also consists of net gains on sale of investments and fixed assets and net gains on foreign currency transactions and translations.

Expenses

Our expenses consist of cost of materials consumed, employee benefits, finance costs, depreciation and amortisation and other expenses.

Cost of materials consumed consists of raw materials and components consumed.

Employee benefit consists of salaries, wages and bonus, contribution to gratuity, provident fund and other funds and staff welfare expenses.

Finance costs comprise of interest expenses, bank charges and losses / gains on foreign currency transactions and translations.

Other expenses include manufacturing expenses, selling and distribution expenses and administrative and general expenses.

Manufacturing expenses majorly include costs of stores and spares, packing material, power and fuel, carriage inward, freight, water charges, excise duty, laboratory expenses, repairs and maintenance, etc.

Selling and distribution expenses include travel, conveyance, car hire, commission, discount on sales, sales promotion and advertisements, freight outward, etc

Administrative and general expenses include rent, rates and taxes, insurance, printing and stationery, communication expenses, directors' sitting fees, provisions for bad and doubtful debts, etc

Six Months Ended September 30, 2012 (Consolidated)

The Indore facility started operations in September, 2012

Consolidated Total Income: Our consolidated total income was ₹ 1,139.09 million for the six months ended September 30, 2012 consisting of revenue from operations and other income.

Consolidated Revenue from Operations: Our consolidated revenue from operations was ₹ 1,120.84 million for the six months ended September 30, 2012, consisting of exports of ₹ 645.23 million and domestic sales of ₹ 527.96 million. Excise duty of ₹ 52.35 million was deducted to arrive at the consolidated revenue from operations.

Consolidated Other Income: Our consolidated other income was ₹ 18.25 million for the six months ended September 30, 2012, primarily consisting of (a) interest income of ₹ 3.77 million (b) export incentives of ₹ 1.70 million (c) net gain on foreign currency transactions and translation of ₹ 2.80 million and (d) Other non operating income of ₹ 9.98 million

Consolidated Total Expenses: Our consolidated total expenses were ₹ 719.51 million for the six months ended September 30, 2012, consisting primarily of cost of materials consumed, employee benefit expenses, finance costs, other expenses and depreciation.

Consolidated Cost of Raw Materials Consumed: Our consolidated cost of raw materials consumed were ₹ 330.72 million for the six months ended September 30, 2012

Changes in inventories of finished goods and work-in-progress: Our inventories of finished goods and work-in-progress reduced by ₹ 23.15 million for the six months ended September 30, 2012

Consolidated Employee Benefits Expense: Our consolidated employee benefits expense was ₹ 115.63 million for the six months ended September 30, 2012, primarily consisting of (a) salaries, wages and bonus of ₹ 99.78 million, (b) contribution to provident, gratuity and other funds of ₹ 8.96 million and (c) staff welfare expenses of ₹ 6.89 million

Consolidated Finance Costs: Our consolidated finance costs were ₹ 28.12 million for the six months ended September 30, 2012, consisting of (a) interest expenses of ₹ 42.91 million, and (b) bank charges of ₹ 2.01 million, (c) net gain on foreign currency transactions and translations of ₹ 16.80 million.

Consolidated Other Expenses: Our consolidated other expenses were ₹ 239.80 million for the six months ended September 30, 2012, consisting of (a) manufacturing expenses of ₹ 131.03 million (b) selling and distribution of ₹ 37.88 million and (c) administrative and general expenses of 70.89 million

Depreciation: Depreciation expense was ₹ 28.39 million for the six months ended September 30, 2012.

Taxation: Our provision for current tax was ₹ 103.02 million (net of MAT credit) for the six months ended September 30, 2012, and our provision for deferred tax for the six months ended September 30, 2012 was ₹ 31.94 million. Our effective tax rate for the six months ended September 30, 2012 was 24.55%.

Minority Interest: Share of minority interest was ₹ 5.85 million for the six months ended September 30, 2012.

Consolidated Net Profit, as Restated: As a result of the above, our consolidated net profit, as restated, was ₹ 278.77 million for the six months ended September 30, 2012.

Financial Year 2012 (Consolidated)

Consolidated Total Income: Our consolidated total income was ₹ 1,745.96 million for the financial year 2012 consisting of revenue from operations and other income.

Consolidated Revenue from Operations: Our consolidated revenue from operations was ₹ 1,717.40 million for the financial year 2012, consisting of exports of ₹ 1,067.15 million and domestic sales of ₹ 716.82 million. Excise duty of ₹ 66.57 million was deducted to arrive at the consolidated revenue from operations.

Consolidated Other Income: Our consolidated other income was ₹ 28.56 million for the financial year 2012, primarily consisting of (a) interest income of ₹ 8.55 million (b) export incentives of ₹ 6.27 million (c) net gain on foreign currency transactions and translation of ₹ 0.35 million and (d) Other non operating income of ₹ 13.39 million

Consolidated Total Expenses: Our consolidated total expenses were ₹ 1,265.20 million for the financial year 2012, consisting primarily of cost of materials consumed, employee benefit expenses, finance costs, other expenses and depreciation.

Changes in inventories of finished goods and work-in-progress: Our inventories of finished goods and work-in-progress reduced by ₹ 36.76 million for the financial year 2012

Consolidated Cost of Raw Materials Consumed: Our consolidated raw materials consumed were ₹ 514.95 million for the financial year 2012

Consolidated Employee Benefits Expense: Our consolidated employee benefits expense was ₹ 201.33 million for the financial year 2012, primarily consisting of (a) salaries, wages and bonus of ₹ 170.90 million, (b) contribution to provident, gratuity and other funds of ₹ 18.75 million and (c) staff welfare expenses of ₹ 11.68 million

Consolidated Finance Costs: Our consolidated finance costs were ₹ 122.38 million for financial year 2012, primarily consisting of (a) interest expenses of ₹ 117.08 million (b) bank charges of ₹ 3.72 million and (c) Net loss on foreign currency transactions and translations of ₹ 1.58 million.

Consolidated Other Expenses: Our consolidated other expenses were ₹ 408.32 million for the financial year 2012, consisting of (a) manufacturing expenses of ₹ 220.13 million (b) selling and distribution of ₹ 80.17 million and (c) administrative and general expenses of 108.02 million

Depreciation: Depreciation expense was ₹ 54.98 million for the financial year 2012.

Taxation: Our provision for current tax was ₹ 138.24 million (net of MAT credit) for the financial year

2012 and our provision for deferred tax for the financial year 2012 was ₹ (2.14) million. Our effective tax rate for the financial year 2012 was 28.84%.

Minority Interest: Share of minority interest was ₹ 3.30 million for the financial year 2012.

Consolidated Net Profit, as Restated: As a result of the above, our consolidated net profit, as restated, was ₹ 339.85 million for the financial year 2012.

Financial Year 2012 compared to Financial Year 2011 (Consolidated)

Our results of operations for the financial year 2012 showed a decent growth over the financial year 2011 inspite of the capacity constraints faced by the Company for the past 3 years. This was a result of the focussed approach on core manufactured product sales, as well as efforts put in by employees.

During the year, one patent of the Company also got registered under "IPCT" in US Patent.

During the year, Advanced Enzymes U.S.A a wholly owned subsidiary of Advanced Enzyme Technologies Ltd., acquired Cal India Inc., a US-based S Corporation Company doing business as Specialty Enzyme and Biochemicals Co. USA (SEB), this acquisition enabled the Company to expand globally, on one parent entity concept. The company is now a step down subsidiary of our company.

Total Income: Our total income increased by 45.47% to ₹ 1,745.96 million for the financial year 2012 from ₹ 1,200.19 million for the financial year 2011.

Revenue from Operations: Our revenue from operations increased by 47.32% to ₹ 1,717.40 million for the financial year 2012 from ₹ 1,165.73 million for the financial year 2011, mainly as a result of inclusion of net sales of the newly acquired Cal India Inc, doing business as Specialty Enzyme and Biochemicals Co. USA (SEB).

Other Income: Our other income decreased by 17.11% to ₹ 28.56 million for the financial year 2012 from ₹ 34.46 million for the financial year 2011, primarily as a result of no profits on sale of investments, fixed assets and stock of subsidiary, party offset by an increase in other no-operating income.

Total Expenses: Our total expenses increased by 25.23% to ₹ 1,265.20 million for the financial year 2012 from ₹ 1,010.34 million for the financial year 2011 as a result of an increase in all expenses.

Cost of Materials Consumed: Our cost of materials increased 27.16% to ₹ 514.95 million for the financial year 2012 from ₹ 404.97 million for the financial year 2011

Change in inventories of finished goods and work-in-progress: Inventories change was at ₹ (36.76) million for the financial year 2012 as compared to ₹ 65.16 million for the financial year 2011

Employee Benefits Expense: Our employee benefits expense increased 50.44% to ₹ 201.33 million for the financial year 2012 from ₹ 133.83 million for the financial year 2011 primarily due to (a) an increase in salaries, wages and bonus of 43.59% to ₹ 170.90 million for the financial year 2012 from ₹ 119.02 million for the financial year 2011, (b) an increase in contribution to gratuity, provident fund and other funds of 222.20% to ₹ 18.75 million for the financial year 2012 from ₹ 5.83 million for the financial year 2011 and (c) an increase in staff welfare expenses of 29.92% to ₹ 11.68 million for the financial year 2012 from ₹ 8.99 million for the financial year 2011, as a result of the addition of the employees of the newly acquired Cal India Inc, doing business as Specialty Enzyme and Biochemicals Co. USA (SEB)

Finance Costs: Our finance costs increased 430.10% to ₹ 122.38 million for the financial year 2012 from ₹ 23.09 million for the financial year 2011, mainly due to an increase in interest expenses which increased 440.80% to ₹ 117.08 million for the financial year 2012 from ₹ 21.65 million for the financial year 2011 as a result of the addition to the books of the debts of the newly acquired Cal India Inc, doing business as

Specialty Enzyme and Biochemicals Co. USA (SEB)

Other Expenses: Our other expenses increased by 22.47% to ₹ 408.32 million for the financial year 2012 from ₹ 333.40 million for the financial year 2011 primarily as a result of an increase in manufacturing, selling and distribution and administrative and general expenses. Manufacturing expenses increased by 31.52% to ₹ 220.13 million for the financial year 2012 from ₹ 167.38 million for the financial year 2011, mainly due to an increase in consumption of stores and spares, power and fuel and carriage inward and freight and laboratory expenses. Selling and distribution expenses increased by 5.58% to ₹ 80.17 million for the financial year 2012 from ₹ 75.93 million for the financial year 2011, mainly due to sales promotion and advertisement, commission and freight, partly offset by a decrease in discounts and other selling and distribution expenses. Administrative and general expenses increased by 19.90% to ₹ 108.02 million for the financial year 2012 from ₹ 90.09 million for the financial year 2011, mainly contributed by an increase in rent, repairs, communications, loss on impairment and miscellaneous expenses, partly offset by a decrease in legal and professional charges.

Depreciation: Depreciation expense increased by 10.21% to ₹ 54.98 million for the financial year 2012 from ₹ 49.89 million for the financial year 2011 due to increase in depreciation on tangible assets by 10.6% to ₹ 53.68 million for the financial year 2012 from ₹ 48.59 million for the financial year 2011.

Taxation: Our provision for current taxes (net of MAT) increased by 873.54% to ₹ 138.24 million for the financial year 2012 from ₹ 14.20 million for the financial year 2011 as a result of lower MAT credit available, reduction in tax shelter and the addition to the books of the tax liability of the newly acquired Cal India Inc, doing business as Specialty Enzyme and Biochemicals Co. USA (SEB). Our provision for deferred tax decreased by 129.86% to ₹ (2.14) million for the financial year 2011 from ₹ 7.17 million for the financial year 2011. Our effective tax rate for the financial year 2012 was 28.84%.

Net Profit, as Restated: As a result of the above, our net profit (net of minority interest), as restated, increased by 104.06% to ₹ 339.85 million for the financial year 2012 from ₹ 166.54 million for the financial year 2011.

Financial Year 2011 compared to Financial Year 2010 (Consolidated)

Our results of operations for the financial year 2011 showed a marginal growth over the financial year 2010. Due to a focus on core product mix, the company achieved higher profitability without any significant change in sales.

The Company received the Bio-Excellence award for being the Best Industrial Biotech Company at the Bangalore Bio 2010 event. The Company also received the 'Emerging India Awards 2010' in the category 'Life Science-Pharmaceuticals & Chemicals' from ICICI Business Banking and CNBC TV18 in the month of November 2010.

During the year, the company formed its wholly owned subsidiary in USA for the purpose of acquiring existing business of Specialty Enzyme and Biochemicals Co. USA (SEB) in the future. This was done from the perspective of having one common parent company in the long run. Hived off Advenza w e f 31st July 100 to 20%

During the year the Company had reduced its stake in one of its subsidiary company viz Advanced Vital Enzymes Limited, from 100% to about 20%.

Total Income: Our total income increased by 4.02% to ₹ 1,200.19 million for the financial year 2011 from ₹ 1,153.82 million for the financial year 2010.

Revenue from Operations: Our revenue from operations increased by 2.47% to ₹ 1,165.73 million for the financial year 2011 from ₹ 1,137.67 million for the financial year 2010. Domestic sale was down by to

725.02 for the financial year 2011 from 814.06 for the financial year 2010 due to discontinued sale of some of traded non core products such as antibiotics for animal health care and textile auxiliaries. Exports have gone up inspite of the rising rupee.

Other Income: Our other income increased by 113.35% to ₹ 34.46 million for the financial year 2011 from ₹ 16.15 million for the financial year 2010, primarily as a result of increase in interests on loans given, profit on sale of investments, fixed assets and share in stock of subsidiary, export incentives and, partially offset by lesser gains on foreign currency transactions and translations and other non-operating income.

Total Expenses: Our total expenses increased by 1.71% to ₹ 1,010.34 million for the financial year 2011 from ₹ 993.37 million for the financial year 2010, majorly as a result of an increase in other expenses, partly offset by a decrease in cost of materials consumed.

Cost of Materials Consumed: Our cost of materials decreased 15.71% to ₹ 404.97 million for the financial year 2011 from ₹ 480.47 million for the financial year 2010

Change in inventories of finished goods and work-in-progress: Inventories change was at ₹ 65.16 million for the financial year 2011 as compared to ₹ (11.16) million for the financial year 2010

Employee Benefits Expense: Our employee benefits expense decreased 2.46% to ₹ 133.83 million for the financial year 2011 from ₹ 137.20 million for the financial year 2010 primarily due to (a) a decrease in salaries, wages and bonus of 0.44% to ₹ 119.02 million for the financial year 2011 from ₹ 119.54 million for the financial year 2010, (b) a decrease in contribution to gratuity, provident fund and other funds of 40.95% to ₹ 5.82 million for the financial year 2011 from ₹ 9.86 million for the financial year 2010 due to the demerger of Advanced Vital Enzymes Limited and (c) an increase in staff welfare expenses of 15.16% to ₹ 8.99 million for the financial year 2011 from ₹ 7.80 million for the financial year 2010.

Finance Costs: Our finance costs decreased 26.17% to ₹ 23.09 million for the financial year 2011 from ₹ 31.27 million for the financial year 2010, mainly due to gains on foreign currency transactions of 2.05 million and translations in 2011, as compared to losses of ₹ 6.18 million for financial year 2010.

Other Expenses: Our other expenses increased by 9.55% to ₹ 333.40 million for the financial year 2011 from ₹ 304.34 million for the financial year 2010 primarily as a result of an increase in manufacturing, selling and distribution and administrative and general expenses. Manufacturing expenses increased by 12.98% to ₹ 167.38 million for the financial year 2011 from ₹ 148.15 million for the financial year 2010, mainly due to an increase in, power and fuel, excise duty and carriage inward and freight, partially offset by a reduction in consumption of stores and spares, packing material. Selling and distribution expenses increased by 14.12% to ₹ 75.93 million for the financial year 2011 from ₹ 66.53 million for the financial year 2010, mainly due to freight outward and other selling and distribution expenses partly offset by a decrease in sales promotion and advertisement costs. Administrative and general expenses increased by 0.49% to ₹ 90.09 million for the financial year 2011 from ₹ 89.65 million for the financial year 2010, mainly contributed by an increase in rent, repairs, insurance, provision for doubtful debts, net loss on foreign currency transactions and translations and legal and professional charges, partly offset by a decrease in communication charges.

Depreciation: Depreciation expense decreased by 2.69% to ₹ 49.89 million for the financial year 2011 from ₹ 51.27 million for the financial year 2010 due to decrease in depreciation on tangible assets by 1.74% to ₹ 48.59 million for the financial year 2011 from ₹ 49.45 million for the financial year 2010.

Taxation: Our provision for current taxes (net of MAT) decreased by 4.53% to ₹ 43.40 million for the financial year 2011 from ₹ 45.46 million for the financial year 2010 as a result of tax deductions for Section 35(2A) for set up of a R&D lab at Thane, as well as Section 10AA for exports from SEZ. Our provision for deferred tax stood at ₹ 7.17 million for the financial year 2011 as compared to ₹ (5.99) million for the financial year 2010. Our effective tax rate for the financial year 2011 was 11.26%.

Net Profit, as Restated: As a result of the above, our net profit (net of minority interest), as restated, increased by 45.19% to ₹ 166.54 million for the financial year 2011 from ₹ 114.70 million for the financial year 2010.

Financial Year 2010 compared to Financial Year 2009 (Consolidated)

Our results of operations for the financial year 2010 showed a robust growth over the financial year 2009. The company had been able to grow better even in the difficult period of economic meltdown worldwide. The company enjoyed a good clientele in USA; this year it expanded in regions other than USA. This year the focus was on expansion in countries other than USA

The company had formed its wholly owned subsidiary in Hong Kong to improve services to our Chinese customers and buyers and to provide proper logistic to export to China, we had acquired office space and warehousing facility on rentals in Hong Kong.

The company got good results from its investments in product and technology development, and considered relocating the R&D center to bigger premises.

The company enjoyed the benefits of lower borrowing cost as compared to the former year.

Total Income: Our total income increased by 35.36% to ₹ 1,153.82 million for the financial year 2010 from ₹ 852.43 million for the financial year 2009.

Revenue from Operations: Our revenue from operations increased by 34.21% to ₹ 1,137.67 million for the financial year 2010 from ₹ 847.64 million for the financial year 2009, contributed majorly by a 58.98% increase in exports to 323.61 million for financial year 2010 from 203.55 million for the financial year 2009.

Other Income: Our other income increased by 237.16% to ₹ 16.15 million for the financial year 2010 from ₹ 4.79 million for the financial year 2009, primarily as a result of increase in interests on loans given, export incentives, gains on foreign currency transactions and translations.

Total Expenses: Our total expenses increased by 30.78% to ₹ 993.37 million for the financial year 2010 from ₹ 759.56 million for the financial year 2009, majorly as a result of an increase in other expenses, cost of materials consumed and employee benefit expenses.

Cost of Materials Consumed: Our cost of materials increased 49.27% to ₹ 480.47 million for the financial year 2010 from ₹ 321.86 million for the financial year 2009

Change in inventories of finished goods and work-in-progress: Inventories change was at ₹ (11.16) million for the financial year 2010 as compared to ₹ 14.35 million for the financial year 2009

Employee Benefits Expense: Our employee benefits expense increased 31.44% to ₹ 137.20 million for the financial year 2010 from ₹ 104.38 million for the financial year 2009 primarily due to (a) an increase in salaries, wages and bonus of 31.29% % to ₹ 119.54 million for the financial year 2010 from ₹ 91.05 million for the financial year 2009, (b) an increase in contribution to gratuity, provident fund and other funds of 60.09% to ₹ 9.86 million for the financial year 2010 from ₹ 6.16 million for the financial year 2009 and (c) an increase in staff welfare expenses of 8.76% to ₹ 7.80 million for the financial year 2010 from ₹ 7.17 million for the financial year 2009.

Finance Costs: Our finance costs decreased 20.28% to ₹ 31.27 million for the financial year 2010 from ₹ 39.23 million for the financial year 2009, mainly due to reduction interest expenses and lesser losses on foreign currency transactions and translations partially offset by increase in bank charges.

Other Expenses: Our other expenses increased by 30.78% to ₹ 304.32 million for the financial year 2010 from ₹ 232.70 million for the financial year 2009 primarily as a result of an increase in manufacturing, selling and distribution and a decrease in administrative and general expenses. Manufacturing expenses increased by 58.87% to ₹ 148.15 million for the financial year 2010 from ₹ 93.25 million for the financial year 2009, mainly due to an increase in consumption of stores and spares, packing material, power and fuel, water charges, excise duty and carriage inward and freight, repairs and maintenance and other manufacturing expenses, partially offset by a reduction in laboratory expenses. Selling and distribution expenses increased by 41.47% to ₹ 66.53 million for the financial year 2010 from ₹ 47.03 million for the financial year 2009, mainly due to an increase in sales and promotion, travel and conveyance and other selling and distribution expenses, freight outward, partly offset by a decrease in commissions and discounts. Administrative and general expenses decreased by 3.03% to ₹ 89.65 million for the financial year 2010 from ₹ 92.43 million for the financial year 2009, mainly contributed by an increase in rates and taxes, legal and professional charges and communication expenses and printing and stationery.

Depreciation: Depreciation expense increased by 8.99% to ₹ 51.27 million for the financial year 2010 from ₹ 47.04 million for the financial year 2009 due to increase in depreciation on tangible assets by 7.82% to ₹ 49.45 million for the financial year 2010 from ₹ 45.86 million for the financial year 2009.

Taxation: Our provision for current taxes increased by 433.57% to ₹ 45.46 million for the financial year 2010 from ₹ 8.52 million for the financial year 2009. Our provision for deferred tax stood at ₹ (5.99) million for the financial year 2010 as compared to ₹ 10.38 million for the financial year 2009.. Our effective tax rate for the financial year 2010 was 24.60%.

Net Profit, as Restated: As a result of the above, our net profit (net of minority interest), as restated, increased by 63.60% to ₹ 114.70 million for the financial year 2010 from ₹ 70.12 million for the financial year 2009.

Financial Condition, Liquidity and Capital Resources

In the past, we have funded our liquidity and capital requirements primarily through funds generated from operations and borrowings from banks. We maintain cash balance to fund our daily cash requirements.

Cash Flows

The following table summarizes our restated consolidated statements of cash flows for the periods presented:

		Financial Year			
	6 months ended September, 2012	**2012**	**2011**	**2010**	**2009**
Net cash generated from / (used in) operating activities	58.33	513.87	167.87	119.31	137.03
Net cash generated from / (used in) financing activities	39.51	1,273.95	257.41	(24.31)	(78.93)
Net cash generated from / (used in) investing activities	(112.55)	(1,883.02)	(294.73)	(87.77)	(53.32)
Net Increase / (Decrease) in cash and cash equivalents	(14.71)	(95.20)	130.55	7.23	4.77
Cash and cash equivalents at the beginning of the year	52.54	147.74	17.19	9.96	5.18
Cash and cash equivalents at the end of the year	37.83	52.54	147.74	17.19	9.96

Operating Activities

Consolidated net cash used in our operating activities was ₹ 58.33 million for the six months ended September 2012, and consisted of net profit before taxes of ₹ 419.58 million, as adjusted for a number of items, including, among others:

- Depreciation and amortisation of ₹ 28.39 million
- Interest expenses of ₹ 42.91 million
- Decrease in short term loans and advances of ₹ 17.59 million

Partially offset by

- Increase in inventories of ₹ 12.13 million
- Increase in trade receivables of ₹ 55.93 million
- Decrease in trade payables of ₹ 52.99 million
- Interest incomes of ₹ 3.77 million
- Decrease in short term liabilities and provisions of ₹ 31.03 million
- Decrease in other current liabilities of ₹ 58.53 million
- Foreign exchange translation reserve of ₹ 50.67 million
- Increase in long term loans and advances of ₹ 44.65 million
- Income taxes paid of ₹ 120.51 million

Consolidated net cash generated from our operating activities was ₹ 513.87 million for the financial year 2012, and consisted of net profit before taxes of ₹ 479.25 million, as adjusted for a number of items, including, among others:

- Depreciation and amortisation of ₹ 54.98 million
- Foreign exchange translation reserve of ₹ 21.99 million
- Interest expenses of ₹ 117.08 million
- Increase in short term liabilities and provisions of ₹ 19.07 million
- Increase in other current liabilities and provisions of ₹ 71.41 million
- Increase in trade payables of ₹ 100.30 million
- Decrease in long term loans and advances of ₹ 11.77 million

Partially offset by

- Interest incomes of ₹ 8.55 million
- Increase in inventories of ₹ 112.08 million

- Increase in trade receivables of ₹ 102.94 million
- Increase in short term loans and advances of ₹ 17.31 million
- Income taxes paid of ₹ 124.78 million

Consolidated net cash generated from our operating activities was ₹ 167.87 million for the financial year 2011, and consisted of net profit before taxes of ₹ 189.85 million, as adjusted for a number of items, including, among others:

- Depreciation and amortisation of ₹ 49.89 million
- Interest expenses of ₹ 21.65 million
- Decrease in inventories of ₹ 82.77 million
- Increase in short term liabilities and provisions of ₹ 9.87 million
- Increase in other current liabilities of ₹ 8.73 million

Partially offset by

- Interest incomes of ₹ 5.80 million
- Decrease in trade payables of ₹ 34.34 million
- Increase in trade receivables of ₹ 18.40 million
- Profit on sale of investments of ₹ 9.26 million
- Increase in long term loans and advances of ₹ 32.44 million
- Increase in short term loans and advances of ₹ 61.68 million
- Income taxes paid of ₹ 38.44 million

Consolidated net cash generated from our operating activities was ₹ 119.31 million for the financial year 2010, and consisted of net profit before taxes of ₹ 160.45 million, as adjusted for a number of items, including, among others:

- Depreciation and amortisation of ₹ 51.27 million
- Interest expenses of ₹ 20.41 million
- Increase in trade payables of ₹ 35.74 million
- Increase in short term liabilities and provisions of ₹ 13.72 million
- Decrease in long term loans and advances of ₹ 29.42 million

Partially offset by

- Interest incomes of ₹ 0.92 million
- Increase in inventories of ₹ 63.37 million

- Increase in trade receivables of ₹ 53.29 million
- Decrease in Other Current Liabilities of ₹ 15.60 million
- Income taxes paid of ₹ 57.78 million

Financing Activities

Consolidated net cash generated from financing activities was ₹ 39.51 million for the six months' period ended September 2012, as a result of proceeds from issue of share capital, partly offset by interest paid, dividends paid and repayment of short term and long term borrowings.

Consolidated net cash generated from financing activities was ₹ 1,273.95 million in the financial year 2012, as a result of proceeds from long term and short term borrowings, partly offset by interest paid and dividends paid.

Consolidated net cash generated from financing activities was ₹ 257.41 million in the financial year 2011, as a result of proceeds from long term and short term borrowings, partly offset by interest paid and dividends paid.

Consolidated net cash used in financing activities was ₹ 24.31 million in the financial year 2010, as a result of proceeds from short term borrowings, offset by interest paid, dividends paid and repayment of long term borrowings.

Investing Activities

Consolidated net cash used in investing activities was ₹ 112.55 million for the six months' period ended September 2012, as a result of purchase of tangible assets, partly offset by interest received.

Consolidated net cash used in investing activities was ₹ 1,883.02 million in the financial year 2012, as a result of purchase of tangible assets, partly offset by interest received.

Consolidated net cash used in investing activities was ₹ 294.73 million in the financial year 2011, as a result of purchase of tangible assets, partly offset by interest received, proceeds from sale of non-current investments and purchase of intangible assets.

Consolidated net cash used in investing activities was ₹ 87.77 million in the financial year 2010, as a result of purchase of tangible assets, partly offset by interest received and purchase of intangible assets.

Capital Expenditures

Following is the capital work in progress incurred for the periods discussed:

	Six months ending 30 September 2012	**Twelve months ending 31 March 2012**	**Twelve months ending 31 March 2011**	**Twelve months ending 31 March 2010**	**Twelve months ending 31 March 2009**
Capital work in progress	13.42	602.30	188.65	7.27	0.02

Contingent Liabilities and Capital Commitments

Contingent liabilities primarily relate to claims against our Company not acknowledged as debts relating to legal cases and contracts remaining to be executed on capital account and not provided for by our Company.

The principal components of our contingent liabilities and capital commitments as of the dates indicated are set forth below:

Particulars	As at				
	30 September 2012	31 March 2012	31 March 2011	31 March 2010	31 March 2009
Claims against the company not acknowledged as debt Legal cases	3.05	3.15	3.26	10.94	10.91
Other money for which the company is contingently liable	-	-	3.76	7.99	7.16
Estimated amount of contracts remaining to be executed on capital account and not provided for	11.92	6.02	102.04	11.76	0.73

For a description of our contingent liabilities, see "Financial Statements – Annexure IV – Notes to the Restated Unconsolidated Assets and Liabilities, Profits and Losses and Cash Flow – C.2.2 – Contingent Liabilities not provided for" and "Financial Statements – Annexure IV – Notes to the Restated Consolidated Assets and Liabilities, Profits and Losses and Cash Flow – C.2.2 – Contingent Liabilities not provided for" on pages 257, respectively, of this Prospectus.

Investments

We hold shares of our group company, Advanced Vital Enzymes Limited. Apart from this, we also hold some shares in Bombay Mercantile Co-op. Bank Ltd. Our total investments as of the dates indicated are set forth below:

Particulars	As at				
	30 September 2012	31 March 2012	31 March 2011	31 March 2010	31 March 2009
Current investment, non-trade, unquoted					
200 Equity Shares (31 March 2009 - 200) of ₹25 each fully paid up of Sinnar Vyapari Sahakari Bank Ltd.	-	-	-	0.01	0.01
1,666 Equity Shares (31 March 2011 - 1,666) of ₹30 each fully paid up of Bombay Mercantile Co-op. Bank Ltd.	0.05	0.05	0.05	0.05	0.05
Investments in equity instruments					
19,100 Equity shares of ₹10 each fully paid up of Advanced Vital Enzymes Limited	0.57	0.57	0.57	-	-
Total	**0.62**	**0.62**	**0.62**	**0.06**	**0.06**

Off Balance Sheet Arrangements

We do not have any off balance sheet arrangements or other relationships with unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off balance sheet arrangements.

Related Party Transactions

We have engaged in the past, and may engage in the future transactions with related parties on an arm's lengths basis. Such transactions could be for provision of services, lease of assets or property, sale or purchase of equity shares or entail incurrence of indebtedness. For details of our related party transactions, see "Financial Statements – Annexure IV – Notes to the Restated Unconsolidated Assets and Liabilities, Profits and Losses and Cash Flow – C.2.12 – Related Party Transactions" and "Financial Statements – Annexure IV – Notes to the Restated Consolidated Assets and Liabilities, Profits and Losses and Cash Flow – C.2.8 – Related Party Transactions" on page 257, of this Draft Red Herring Prospectus.

Quantitative and Qualitative Disclosures about Market Risk

Credit Risk

Credit terms extended to our customers vary between zero and 90 days. To minimize the risk of a significant impact on the business due to a customer defaulting on its commitments, we closely monitor trade receivables.

Bad debt provisions are calculated on a case to case basis, based on certainty of recovery

Currency Exchange Risk

Changes in currency exchange rates may affect our results of operations, borrowings and future capital expenditures in foreign currency

Inflation Risk

Although India has experienced fluctuation in inflation rates in recent years, inflation has not had a direct impact on our business or results of operation. An increase in inflation rates may however, adversely affect growth in the Indian economy.

Other Qualitative Factors

Seasonality of Business

We are not exposed to seasonality of business.

Unusual or Infrequent Events or Transactions

Except as described in this Prospectus, there have been no events or transactions to our knowledge which may be described as "unusual" or infrequent".

Significant Economic Changes that Materially Affected or are Likely to Affect Income from Continuing Operations

Except as described in the section titled "*Industry Overview*" on page 153 of this Red Herring Prospectus, to our knowledge, there are no significant economic changes that materially affected or are likely to affect our income from continuing operations.

Significant Regulatory Changes

Except as described in the section "Regulations and Policies" in this Prospectus, to our knowledge, there are no significant regulatory changes that materially affected or are likely to affect our income from continuing operations.

Known Trends or Uncertainties

Other than as described in the sections “Risk Factors” and “Management's Discussion and Analysis of Financial Conditions and Results of Operations” on pages 14 and 374, respectively, of this Prospectus, to our knowledge there are no known trends or uncertainties that have or are expected to have a material adverse impact on our income from continuing operations.

Future relationship between costs and income

Other than as described in the sections “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 14 and 374, respectively, and elsewhere in this Prospectus, there are no known factors to our knowledge which would have a material adverse impact on the relationship between costs and income of our Company.

Competitive Conditions

We expect competition in the sector from existing and potential competitors to intensify. For further details, see “Business Overview” on page 187 of this Draft Red Herring Prospectus.

New Product or Business Segment

Other than as described in the section “Our Business” on page 187 of this Draft Red Herring Prospectus, there are no new products or business segments.

Dependent on a Single or Few Customers

Our revenue is not dependent on a single or a few customers.

Significant Developments after September 30, 2012 that may affect our future Results of Operations

To our knowledge and belief, no circumstances other than as those disclosed in this Prospectus at “Material Developments After Balance Sheet Date” at page 425 have arisen since the date of the last financial statements contained in this Prospectus which materially affect or are likely to affect, the trading and profitability of our Company, or the value of our assets or our ability to pay material liabilities within the next 12 months.

FINANCIAL INDEBTEDNESS

The total outstanding unsecured loans of our Company as on February 28, 2013 is ₹ 23.32 million and following is the break-up of the same: -

Sr. No.	Name of the lender	Amount (₹)	Type of loan
1.	Mr. Alex Vincent Dias	125,000	Deposit
2.	Mr. Vasant Laxminarayan Rathi	10,211,000	Deposit
3.	Mrs. Prabha Rathi	410,000	Deposit
4.	Ms. Radhika Rathi	2,275,000	Deposit
5.	Mr. Piyush Rathi	50,000	Deposit
6.	Chandrakant Rathi Finance and Investment Company Private Limited	3,600,000	Deposit
7.	Atharva Capital Ventures Private Limited	15,00,000	Deposit
8.	Ms. Divya Rathi	1,065,000	Deposit
9.	CL Rathi HUF	2,450,000	Deposit
10.	ABL Employees Stock Option Trust	1,390,000	Deposit
11.	Advanced Bio-Agro Tech Private Limited	240,000	Unsecured loan
Total		23,316,000	

Further, our Company has availed of secured credit facilities amounting to ₹ 460.55 Million from the following Banks/ Financial Institutions:

(i) **IndusInd Bank**

Agreements with Lender	Nature of Borrowing	Amount Sanctioned as on February 28, 2013	Amount outstanding as on February 28, 2013	Interest Rate	Term/ Tenure	Repayment	Prepayment Penalty	Security
Sanction Letters dated 7th December, 2011 and 31st December, 2011; Deed of	Long Term Loan	75 Million	38 Million	11.25%	3 years 4 months	Quarterly installments of ₹ 70.31 Lac commencing from July, 2012	--	(i) *Pari Passu* charge on all the immovable properti

Hypothecation dated 27th January 2012; Master General Terms Agreement; and Term Loan Agreement dated 27th January 2012								es and moveable properties of the Company other than book debts and stocks for securing the working capital facilities from other banks; and (ii) Personal guarantee of Mr. C.L Rathi

(ii) <u>**DBS Bank**</u>

Agreements with Lender	Nature of Borrowing	Amount Sanctioned as on date February28 , 2013	Amount outstanding as on 28th February 28, 2013	Interest Rate	Term/ Tenure	Repayment	Prepayment Penalty	Security
(i) Sanction Letter dated 1st November , 2010; (ii) Facility Agreement dated 25th November , 2010; (iii) Agreement of Hypothecation dated 11th May, 2011; (iv) Deed of Guarantee dated 25th November 2010; and (v) Demand Promissory Note dated 25th November 2010	Bilateral loan facility in USD	USD 6 million or its equivalent	USD 4.50 million equivalent to ₹ 241.98 Million (1USD=53.7735)	1.85% per annum + LIBOR‡. Payment of interest shall be on the last day of each Interest Period§	5 years	16 equal installments after a moratorium period of 15 months from the date of utilization.	*Please see the footnote below*	(i) *Pari Passu* charge on all the immovable properties and moveable properties of the Company; and (ii) Personal guarantee of Mr. C.L Rathi

The Company may, after giving 15 days prior notice, prepay the whole or any part of the loan on the last day of the Interest Period by a minimum amount of US$ 2,000,000 and thereafter in integral multiples of US $ 1,000,000. The prepayment shall be made together with accrued interest on the prepaid and, subject to certain costs, without premium or penalty

‡ London Interbank Offered Rate

§ 3 monthly or 6 monthly intervals at which the Company is liable to repay the loan alongwith the applicable interest.

(iii) **Citibank, N.A ("Citibank")**

Agreements with Lender	Nature of Borrowing	Amount Sanctioned as on February 28, 2013	Amount outstanding as on February 28, 2013	Interest Rate	Term/ Tenure	Repayment	Prepayment Penalty	Security
(i) Sanction Letter dated 9th January 2013; (ii) Memorandum of Equitable Mortgage dated 1st June 2012 (iii) Deed of Modification for Goods Security Agreement dated 3rd May 2012.	Working Capital Fund base as well as Non-fund based credit facilities	200 Million	Fund base ₹ 91 Million	As may be decided by Citibank from time to time	**Term Loan** – as may be specified by Citibank; **Cash Credit –** Revolving 360 days; **Export Finance –** 180 days maximum; **Letters of credit -** 180 days maximum; **Buyers Credit Tenor -** 180 days maximum; **Working Capital Demand Loan** - 180 days maximum; **Sight Letters of Credit** - 180 days maximum; **Bank Guarantee** - 180 days maximum	**Term Loan –** As may be specified by Citibank	2 percent of the sanctioned amount or principal outstanding whichever is higher, at the discretion of Citibank.	**Working capital facility** (i) First *pari passu* charge on stocks and receivables; (ii) Personal guarantee of Mr. C.L Rathi; and (iii) Second *pari passu* charge on all the fixed assets of the Company. **Term loan** (i) First *pari passu* charge on all fixed assets of the Company; and (ii) Personal guarantee of Mr. C.L Rathi.

(iv) <u>HDFC Bank</u>

Agreements with Lender	Nature of Borrowing	Amount Sanctioned as on 28th February, 2013 (₹)	Amount outstanding as on 28th February, 2013 (₹)	Term/ Tenure	Repayment	Prepayment Penalty	Security
Sanction Letter dated 20th November, 2012	Working Capital facility	Fund base ₹ 125 Million fully interchangeability with LC & BG and additional ₹ 25 Million of LC/BG	Fund base ₹ 50.89 Million	(i) Working Capital Demand Loan – Maximum of 90 days; (ii) Bank Guarantee – Maximum 12 months; (iii) Letters of credit – Maximum of 90 days in case of usance Letters of Credit;	(i) Cash Credit – on demand; (ii) Working Capital Demand Loan – Repaid at once on maturity date;	--	(i) First *pari passu* charge over entire current assets of the Company to be shared on *pari passu* basis with other working capital bankers; (ii) Personal Guarantee of the Mr. Chandrakant Laxminarayan Rathi.

(v) **Yes Bank**

Agreements with Lender	Nature of Borrowing	Amount Sanctioned as on 28th February, 2013 (₹)	Amount outstanding as on 28th February, 2013 (₹)	Term/ Tenure	Repayment	Prepayment Penalty	Security
Facility Letter dated 21st February, 2013	Working Capital Facility	Fund base ₹ 100 Million with full interchangeability of ₹ 100 Million of Non Fund Base for LC and Letter of Undertaking for buyers' credit of ₹ 50 Million	Fund Base of ₹ 38. 68 Million	1. Packing Credit in Foreign Currency and Post Shipment Credit in Foreign Currency – 6 months Working Capital Demand Loan and Sales Invoice Discounting – 90 days Cash Credit facility – 12 months Letter of Credit: Sight (Inland/ Foreign), Letter of Credit :Usance (Inland/ Foreign) and Letter of Undertaking for Buyer's Credit – 180 days	Cash Credit Facility – To be repayable on demand Working Capital Demand Loan – each advance to be repaid in full on the last Business Day of the Term for which such advance was drawn down	-	(i) First pari passu charge on current assets of the borrower. (ii) Personal Guarantee of Mr. Chandrakant Laxminarayan Rathi (iii) Additionally, 10% margin in the form of FD in the Company's name for Letter of Credits and Letter of Undertaking for Buyer's Credit (iv) Demand Promissory Note for ₹ 100 Million

The interest rates/cash margins for the abovementioned credit facility are as follows: -

a) Packing Credit in Foreign Currency, Working Capital Demand Loan and Post Shipment Credit in Foreign

Currency, Sales Invoice Discounting - to be decided at the time of disbursement;

b) Cash Credit facility – 2.5% p.a. above Yes Bank Base Rate payable monthly. Effective rate of interest shall be 10% p.a.; and

c) Letter of Credit: Sight (Inland/ Foreign); Letter of Credit: Usance (Inland/ Foreign) and Letter of Undertaking for Buyer's Credit – Commission 1% p.a.

Following are certain common negative covenants as reflected in the documents of the aforesaid loan facilities:

Without prior consent of the aforesaid banks, the Company:

a) cannot invest by way of share capital in or lend or advance funds to or place deposits with any other concern other than its own 100 percent subsidiaries other than normal trade credit or security deposits in the usual course or business or advances to employees, etc.;

b) cannot undertake any new project/scheme, if any, if the terms of the loan documents are likely to be breached;

c) cannot make any material change in its management setup or any material change in its shareholding pattern or promoter's shareholding which has a possible change in the management control of the Company.

d) cannot undertake or permit any reorganization, amalgamation, merger, demerger, reconstruction, takeover, substantial change in ownership or shareholding or formulate any scheme of amalgamation/reconstitution affecting its present constitution;

e) cannot make substantial alteration to the nature of its business or amend or alter any of the provisions of the Company's MoA and AoA relating to borrowing powers or principal business activities;

f) shall not create any financial indebtedness or raise any term loans or make any fresh borrowings except as stated aforesaid;

g) shall not prepay or repay or satisfy any financial indebtedness extended to the Company by the Promoters or their associated entities; and

h) cannot create or allow to exist any encumbrance or security over assets specifically charged to the aforesaid lenders.

Compliance with credit facilities

Other than as mentioned in the Chapter on "*Risk Factors*" on page 14 of this DRHP, our Company is currently in compliance with the financial covenants contained in the agreements with our lenders.

SECTION VIII - LEGAL AND OTHER REGULATORY INFORMATION

OUTSTANDING LITIGATIONS, MATERIAL DEVELOPMENTS AND OTHER DISCLOSURES

Except as stated hereinbelow, there are no outstanding or pending litigations, suits, criminal or civil prosecutions, proceedings initiated for offence (irrespective of whether specified in paragraph (I) of Part I of Schedule XIII of the Companies Act) or litigations for tax liabilities against our Company, our Directors, our Promoters, our Subsidiaries and our Group Companies and there are no defaults to banks/financial institutions, non-payment or overdue of statutory dues or overdues to banks/financial insitutions, defaults against banks / financial institutions or rollover or rescheduling of loans or any other liability or defaults in dues towards holders of any debenture, bonds and fixed deposits or arrears of preference shares or other unclaimed liabilities of our Company, our Directors, our Promoters, our Subsidiaries and our Group Companies, and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, our Promoters, our Directors, our Subsidiaries and our Group Companies. Further, except as stated in this Draft Red Herring Prospectus, there are no past cases in which penalties have been imposed on our Company or our Promoters, Directors, Subsidiaries or companies promoted by the Promoters by concerned authorities, and there is no outstanding litigation against any other company whose outcome could have a material adverse effect on the position of our Company.

Neither our Company nor its Promoters, members of the Promoter Group, Subsidiaries, group companies or Directors have been declared as willful defaulters by the RBI or any other Governmental authority and that there are no violations of securities laws committed by them in the past or pending against them.

A) LITIGATIONS AGAINST OUR COMPANY

Civil cases

I. Cases filed against our Company/Notices received by our Company

a) A complaint bearing Complaint (ULP) Misc. No. 43 of 2007 (now bearing Complaint (ULP) No. 126 of 2008) has been filed before the Labour Court at Thane under Section 28 read with Item 1(a), (b), (d) of Schedule IV of the Maharashtra Recognition of Trade Unions and Prevention of Unfair Labour Practices Act, 1971 ("**MRTU and PULP Act, 1971**") by Mr. Prashant and Mr. Mohan Rama Durai ("**Complainants**") against the Company, Mr. Piyush Rathi and Advanced Bio-Nutraceuticals Limited ("**the Respondents**") alleging unfair labour practices. The Complainants have alleged that on 28th March, 2007, the Respondents orally terminated their services without giving any reasons for the same. The Complainants have, *inter-alia*, sought (a) for an order declaring that the Respondents have engaged in unfair labour practices under Item 1(a), (b), (d) of Schedule IV of the MRTU and PULP Act, 1971; (b) for an order to reinstate the Complainants in their original posts with full back wages and continuity of service with effect from 28th March, 2007; (c) pending the hearing and final disposal of the complaint, an order directing the Respondents to allow the Complainants to resume their duties, provide work and pay wages and in the event the Respondents do not utilize their services, to pay them 90% of their last drawn full month's wages and (d) such other cost or compensation. The Complainants have also filed an application for interim relief and/or ad-interim reliefs praying, *inter-alia*, that the Respondents be directed to allow the Complainants to resume their duties and pay them regular wages or in the alternate the Respondents pay them 90% of their last wages and for such other interim or ad-interim reliefs. The Complainants have filed an application for condonation of delay along with the complaint, seeking condonation of 67 days in filing the complaint. The Respondents have filed their written statement in reply to the aforesaid complaint, denying the allegations of the Complainants. This matter was kept for evidence of Complainant on 11th May, 2012 and again on 18th September, 2012. The Complainant on 18th September, 2012 also did not file his "affidavit of evidence". The last date for hearing was February 22, 2013 and the same was stood over to 26th March, 2013.

b) The Company has received a legal notice dated 6th April, 2010 from Tulip Telecom Limited ("**TTL**") through their Advocates Messrs Link Legal calling upon the Company to pay certain outstanding amounts due to TTL by the Company towards IT related services provided by TTL to the Company. The Company was called upon to pay a sum of ₹18,41,580/- (Rupees Eighteen Lac Forty One Thousand Five Hundred and Eighty only) together with interest at the rate of 18% per annum thereon, failing which, appropriate legal proceedings (both civil and criminal) would be initiated and further to pay a sum of ₹ 11,000/- towards the cost of the legal notice. The Company has through a letter dated 7th May, 2010 sent through its Advocate Laxman Thorat denied the allegations set out in the letter issued on behalf of TTL on account of, *inter-alia*, deficiency in services provided by TTL. We have not received any reply our aforesaid letter dated 7th May, 2010.

II. IPR related notice of oppositions filed against the Company

a) A notice of opposition bearing No.742581 was filed before the Registrar of Trademarks, Trade Marks Registry, Mumbai, by Clariant AG ("**Opponents**") against the application bearing No. 1679683 filed by the Company for registration of the trademark "FADEX 500" in Class 1 ("**the Trademark**"), under the Trade Marks Act, 1999 ("**Act**"). The Opponents have, *inter–alia*, alleged that they are the original proprietors of the trademark "FADEX" (for which application for registration of the same has been made by the Opponents) and that the Trademark is visually, phonetically and structurally identical to their trademark and that registration of the Trademark would be in violation of the provisions of the Act and use of the same would result in passing off the Company's goods as those of the Opponents. The Opponents have, therefore, *inter-alia*, prayed that (i) the opposition be allowed; (ii) the application no. 1679683 be refused registration; and (iii) the costs of the proceedings be awarded to the Opponent. The Company has filed a counter-statement, *inter-alia* (a) denying all the allegations contained in the notice of opposition and (b) have sought for dismissal of the opposition and for the application for registration of their trademark be allowed.

b) A notice of opposition was filed before the Registrar of Trademarks, Trade Marks Registry, Mumbai by Matrix Telecom Private Limited ("**Opponents**") against the Application bearing No.1722252 filed by the Company for registration of the trademark "STABLEMATRIX" in Class 40 ("**the Trademark**"), under the Trade Marks Act, 1999. The Opponents have claimed that the trademark sought to be registered by the Company consists of the expression MATRIX as an essential feature and is phonetically and structurally identical and therefore similar to the Opponents trademark "MATRIX" for which applications for registration have been filed by the Opponent. The Opponents have, *inter-alia*, alleged that the mark would be detrimental to the distinctive character of the Opponent's trademark. The Opponents have therefore prayed for an order that (i) the Application be dismissed and registration of the Trademark be refused; (ii) cost of the proceedings be awarded to the Opponents; and (iii) such other relief as the nature and circumstances of the case may be granted. The Company has filed a counter- statement denying the allegations as set out in the notice of opposition and seeking the dismissal of the opposition and that the application for registration of their Trademark be allowed. The abovementioned matter is currently pending.

c) A notice of opposition was filed before the Registrar of Trademarks, Trade Marks Registry, Mumbai by NOVOZYMES A/S ("**Opponents**") against the application bearing No. 1035764 filed by the Company for the registration of the trademark "PECTAZYME" in Class 1 ("**the Trademark**"), under the Trade Marks Act, 1999 ("**Act**"). The Opponents have claimed that they are the proprietors of the trademarks "PHYTAZYME", "PECTAWAY" and "PECTAWASH" and that the Trademark is phonetically, structurally and visually similar to their trademarks and registration of the Trademark would lead to confusion amongst the public. The Opponents have, *inter-alia*, prayed that (i) the opposition be allowed; (ii) registration of the Trademark be refused and (iii) costs of the proceedings be awarded to the Opponents. The Company has filed a counter-statement, *inter-alia*, (a) denying the allegations contained in the notice of opposition and (b) sought for dismissal of the opposition and that the application for registration be allowed. The abovementioned matter is currently pending.

d) A notice of opposition was filed before the Registrar of Trademarks, Trade Marks Registry, Mumbai, by Cipla Limited ("**Opponents**") against the application bearing No. 1647663 filed by the Company for registration of the trademark "PROTOLYTE" in Class 5 ("**the Trademark**"), under the Trade Marks Act, 1999. The Opponents allege that they had invented the word PROLYTE in the year 1978 and made an application for registration of the same on February 13, 1978 and have been using the said Trademark PROLYTE continuously and extensively on a very large scale since 1997. The Opponents have further alleged that the trademark is visually and phonetically similar to the registered trademark PROLYTE and would confuse the minds of public at large. The Opponents have therefore prayed for an order that (i) the impugned application No. 1647663 for registration of the Trademark "PROTOLYTE" be refused; (ii) the notice of opposition be allowed; and (iii) the Company be directed to pay costs for these proceedings. Our Company is yet to file counter-statement in the abovementioned matter.

e) A notice of opposition was filed before the Registrar of Trademarks, Trade Marks Registry, Mumbai, by USV Limited ("**Opponents**") against the application bearing No. 1647663 filed by the Company for registration of the trademark "PROTOLYTE" in Class 5 ("**the Trademark**"), under the Trade Marks Act, 1999. The Opponents have claimed that they are the registered proprietors of the word PROTOLOC since November 18, 1993 and have been using them extensively since May, 1994. The Opponents have further alleged that the trademark is visually and phonetically similar to their registered trademark PROTOLOC and would cause deception in the minds of the customers. The Opponents have therefore prayed for an order that (i) the impugned application No. 1647663 for registration of the Trademark "PROTOLYTE" be refused; (ii) the notice of opposition be allowed; and (iii) the Company be ordered to pay costs for the proceedings. The Company has filed a counter – statement denying the allegations mentioned in the notice of opposition and praying for the dismissal of the same. The abovementioned matter is currently pending.

f) An application was filed by Federal Express Corporation ("**Opponents**") before the Registrar of Trade Marks, Trade Marks Registry, Mumbai for the removal of the trademark "FEDEX 500" bearing registration no. 896439 registered in the name of our Company ("**the Trademark**"). The Opponents have, *inter–alia*, alleged that they are the proprietors of several composite marks such as the Fedex Federal Express Logo, Federal Insight, Federal Onecall, etc. of which FEDEX is an important aspect and thus since the Trademark is similar to those of the Opponents it may lead to confusion and deception amongst members of the trade and the public. The Opponents have also claimed that the Trademark was registered in contravention of several provisions of the Trade Marks Act, 1999. However, the validity of the Trademark had expired on January 7, 2010 and the same has not been renewed by the Company.

g) A notice of opposition bearing No. 793465 was filed before the Registrar of Trademarks, Trade Marks Registry, Mumbai, by Mr. Kartik Parikh ("**Opponents**") against the application bearing No. 1788330 filed by the Company for registration of the trademark "IMMUNOTECH" in Class 5 ("**the Trademark**"), under the Trade Marks Act, 1999 ("**Act**"). The Opponents have, *inter–alia*, alleged that they are the registered proprietors of the trademark "IMMUONE" and that the Trademark for which application has been made by our Company is deceptively similar to their trademark and that registration of the Trademark would be in violation of the provisions of the Act and use of the same would result in passing off the Company's goods as those of the Opponents. The Opponents have also alleged that since the Trademark is similar to those of the Opponents it may lead to confusion and deception amongst members of the trade and the public. The Opponents have, therefore, inter-alia prayed that (i) the opposition be allowed; (ii) the application no. 1788330 be refused registration; and (iii) the costs of the proceedings be awarded to the Opponent. The Company has filed a counter – statement denying the allegations mentioned in the notice of opposition and praying for the dismissal of the same. The abovementioned matter is currently pending.

h) A notice of opposition bearing no. 791942 was filed before the Registrar of Trademarks, Trade Marks Registry, Mumbai by Cachet Pharmaceuticals Private Limited ("**Opponents**") against the application bearing No. 1788333 filed by the Company for registration of the trademark "PROBIOZYME" in Class 5 ("**the Trademark**"), under the Trade Marks Act, 1999 ("**Act**"). The Opponents have claimed that they are the proprietors of the trademark "PROBION" and that the Trademark is phonetically, structurally and visually similar to their trademarks and registration of the Trademark would lead to confusion amongst the public. The Opponents have, *inter–alia*, alleged that the Trademark for which application has been made by our Company is deceptively similar to their trademark and that registration of the Trademark would be in violation of the provisions of the Act and use of the same would result in passing off the Company's goods as those of the Opponents. The Opponents have, *inter-alia,* prayed that (i) the opposition be allowed; (ii) registration of the Trademark be refused (iii) that the discretion vested in the Hon'ble Tribunal be exercised in favour of the Opponents and (iv) costs of the proceedings be awarded to the Opponents. The Company has filed a counter-statement, inter-alia, (a) denying the allegations contained in the notice of opposition and (b) sought for dismissal of the opposition and that the application for registration be allowed. The abovementioned matter is currently pending.

i) A notice of opposition bearing no. 792722 was filed before the Registrar of Trademarks, Trade Marks Registry, Mumbai by Aksigen Hospital Care ("**Opponents**") against the application bearing No. 1788333 filed by the Company for registration of the trademark "PROBIOZYME" in Class 5 ("**the Trademark**"), under the Trade Marks Act, 1999 ("**Act**"). The Opponents have claimed that they are the proprietors of the trademark "BROMOZYME DT" and that the Trademark is structurally, conceptually and visually similar to their trademark and registration of the Trademark would lead to confusion amongst the public. The Opponents have, *inter-alia,* prayed that (i) the opposition be allowed; (ii) registration of the Trademark be refused (iii) that the discretion vested in the Hon'ble Tribunal be exercised in favour of the Opponents and (iv) costs of the proceedings be awarded to the Opponents. The Company has filed a counter – statement denying the allegations mentioned in the notice of opposition and praying for the dismissal of the same. The abovementioned matter is currently pending.

j) A notice of opposition bearing no. 792869 was filed before the Registrar of Trademarks, Trade Marks Registry, Mumbai by Biostadt India Limited ("**Opponents**") against the application bearing No. 1788333 filed by the Company for the registration of the trademark "PROBIOZYME" in Class 5 ("**the Trademark**"), under the Trade Marks Act, 1999 ("**Act**"). The Opponents have claimed that they are the proprietors of the trademarks "BIOZYME" "BIOZYME TEA" "BIOZYME POWER+", etc. and that use of the Trademark by our Company would be detrimental to the distinctive character and repute of the Opponents' trademarks. The Opponents have alleged that registration of the Trademark would lead to confusion amongst the public and use of the same would result in passing off the Company's goods as those of the Opponents. The Opponents have, *inter-alia,* prayed that (i) the opposition be allowed; (ii) registration of the Trademark be refused and (iii) costs of the proceedings be awarded to the Opponents. The Company has filed a counter – statement denying the allegations mentioned in the notice of opposition and praying for the dismissal of the same. The abovementioned matter is currently pending.

k) A notice of opposition bearing no. 793334 was filed before the Registrar of Trademarks, Trade Marks Registry, Mumbai by Ajanta Pharma Limited ("**Opponents**") against the application bearing No. 1788328 filed by the Company for the registration of the trademark "ACIPLEX" in Class 5 ("**the Trademark**"), under the Trade Marks Act, 1999 ("**Act**"). The Opponents have claimed that they are the registered proprietors of the trademark "APLEX". The Opponents have alleged that registration of the Trademark would lead to confusion amongst the public and use of the same would result in passing off the Company's goods as those of the Opponents. The Opponents have, *inter-alia*, prayed that (i) the opposition be allowed; (ii) registration of the Trademark be refused and (iii) costs of the proceedings be awarded to the Opponents. The Company has filed a counter – statement denying the allegations mentioned in the notice of opposition and praying for the dismissal of the same. The abovementioned matter is currently pending.

l) A notice of opposition was filed by Neon Laboratories Limited against the application bearing No.1588578 filed by the Company for the registration of the trademark "PROTADE" in Class 5. By a letter dated 5th March, 2012 addressed to the Trademark Registry, our Company has withdrawn the aforesaid application bearing no. 1588578. There has been no order passed by the Trademark Registry noting such withdrawal of application.

m) A notice of opposition was filed by Novartis AG ("**Opponent**") against the application bearing No.1588579 filed by the Company for registration of the trademark "BACTADE" in Class 5. By a letter dated 25th June, 2010 addressed to the Trademark Registry, our Company has withdrawn the aforesaid application bearing no. 1588579. Further, advocates on behalf of the Opponent addressed a letter dated 12th July, 2010 to the Trademark Registry for passing of necessary order to treat the aforesaid application as withdrawn and the notice of opposition filed by the Opponent against the aforesaid application as abated. There has been no order passed by the Trademark Registry noting such withdrawal of application.

III. Claims and notices from statutory authorities

Income Tax Cases

(a) A show cause notice dated January 12, 2006 under Section 154 and 155 of the Income Tax Act, 1961 ("**Act**") was issued to the Company by the Assistant Commissioner of Income Tax, Circle-3, Thane for rectification of the assessment order passed under sub-section (3) of Section 143 of the Act for the assessment year 2002- 2003 wherein it was alleged that the Company had claimed incorrect deductions under Section 80HHC. An *ex-parte* order for rectification was passed under Section 154 dated February 15, 2006 by the Assistant Commissioner of Income Tax, Circle –3, Thane ("**Impugned Order**") wherein it was held that (i) the Company was not entitled to deduction under Chapter VIA of ₹ 57,29,268/- (Rupees Fifty Seven Lac Twenty Nine Thousand Two Hundred and Sixty Eight only) which was claimed by the Company and (ii) the Company was ineligible for the deduction claimed under Section 80HHC while calculation of book profits under Section 115JB. A Notice of demand dated February 15, 2006 was issued to the Company under Section 156 of the Act directing the Company to pay a sum of ₹ 8,35,189/- (Rupees Eight Lac Thirty Five Thousand One Hundred and Eighty Nine only). The Company has already paid the aforesaid amount of ₹ 8,35,189/- on March 31, 2006 and an appeal has been filed against the Impugned Order before the Commissioner of Income Tax–Appeals on the grounds that the Impugned Order was passed without giving proper, effective and sufficient notice to the Company to be heard and thus was in violation of the principles of natural justice and further that the Assistant Commissioner erred in recalculating the benefit of deduction under Section 80 HHC and computation of book profits under Section 115JB of the Act. The matter is currently pending before the Commissioner of Income Tax (Appeals).

(b) A show cause notice dated January 30, 2009 was issued to the Company under Section 263 of the Income Tax Act, 1961 ("**Act**") as the order of the Assessing Officer dated 29th December, 2006 for the assessment year 2004-05 was considered erroneous and prejudicial to the interest of the revenue. Thereafter, an order dated 17th March, 2009 was passed by the Commissioner of Income Tax–I, Thane ("**Impugned Order**") wherein it was held that (i) deduction under Section 80HHC had been allowed in excess and (ii) excess additional depreciation was allowed to the Company for the assessment year 2004-05. Pursuant to the order, a notice of demand under Section 156 of the Act was served to the Company to pay a sum of ₹ 15,45,592/- (Rupees Fifteen Lac Forty Five Thousand Five Hundred and Ninety Two only). The Company has preferred an appeal before the Income Tax Appellate Tribunal, Mumbai against the Impugned Order and the same is currently pending.

(c) An assessment order dated 23rd November, 2011 ('**Impugned Order**") was passed by the Assistant Commissioner of Income Tax under the provisions of Section 144 read with Section 147 of the Income Tax Act, 1961 in relation to the assessment year 2005-06. It was held that additional depreciation aggregating to a sum of ₹16,81,766/- (Rupees Sixteen Lac Eighty One Thousand seven Hundred and Sixty Six only) claimed as a deduction by the Company be disallowed and added back to the income of the assessee. A Notice of Demand under the provisions of Section 156 of the Income Tax Act, 1961 was issued to the Company directing them to pay a sum of ₹ 7,87,715/- (Rupees Seven Lac Eighty Seven Thousand Seven Hundred and Fifteen only) within 30 days of such notice being served. The Company has filed an appeal against the Impugned Order under Section 246A(1)(a) of the Income Tax Act, 1961 and the same is currently pending.

(d) A show cause notice dated 17th September, 2008 under sub-section (2) of Section 143 of the Income Tax Act, 1961 ("**Act**") was issued by the Assistant Commissioner, Income Tax seeking clarification on the return of income filed by the Company for the assessment year 2007- 08. An assessment order dated 18th December, 2009 was passed by the Additional Commissioner of Income Tax, Thane ("**Impugned Order**") wherein it was, *inter-alia,* held that the deduction claimed on (i) capital raising expenses on the issue of bonus shares and (ii) sales promotion expenses claimed by the Company should be disallowed. The Company has preferred an appeal against the Impugned Order before the Commissioner of Income Tax (Appeals) dated January 12, 2010. An order dated 24th June, 2011 was passed in the appeal wherein the decision of the Additional Commissioner of Income tax under the Impugned Order (i) disallowing the expenses on the issue of bonus as a deduction was upheld and (ii) the addition of ₹ 1,28,635/- (Rupees One Lac twenty Eight Thousand Six Hundred and Thirty Five only) to the total income of the assessee towards sales promotion *vide* the Impugned Order was deleted. Therefore, the appeal filed by the Company was partially allowed. The Company had received intimation under section 143(1) dated 2nd March, 2009 *i.e.,* prior to the Impugned Order for refund of an amount of ₹ 43,54,578/- (Rupees Forty Three Lac fifty Four Thousand Five Hundred and Seventy Eight only). Subsequently, the Company has *vide* various letters dated 19th June, 2010, January 3, 2011, February 17, 2011, January 16, 2012 and 17th August, 2012 requested rectification of the mistake regarding interest on the refund given to the Company pursuant to the passing of the Impugned Order. In the aforesaid letters, the Company has claimed a sum of ₹ 2,90,526/- (Rupees Two Lac Ninety Thousand Five Hundred and Twenty Six only) being (i) interest under section 234C which has been wrongly calculated under the aforesaid intimation and (ii) interest on the refund received by the Company. The abovementioned matter is currently pending.

(e) An intimation dated February 23, 2010 ("**Intimation**") under Sub-section (1) of Section 143 of the Income Tax Act, 1961 ("**Act**") was issued to the Company requiring them to pay a sum of ₹ 97,05,634/- towards its tax liability for the Assessment Year 2008-09. Thereafter an Assessment Order dated 27th December, 2010 was passed under Sub-section (3) of Section 143 of the Act affirming the total income of the Company as per the return of income filed by them. In pursuance thereof a Demand Notice was issued under Section 156 of the Act and the tax demanded was NIL. The Company has by various letters dated January 14, 2011, February 18, 2011, January 16, 2012 for rectification of the Intimation on the grounds that the credit for advance tax paid by the Company of ₹ 1,00,00,000/- (Rupees One Crore only) has not been granted and that interest calculated under Sections 234A, 234B and 234C have been wrongly charged and that the Company infact should be eligible for a refund of a sum of ₹ 24,87,742/- together with interest thereon calculated from 31st March, 2008 till the date of refund. The Company has received a letter dated 5th March, 2012 issued by the Assistant Commissioner of Income Tax, Thane calling upon the Company to pay the sum of ₹ 97,05,634/- (Rupees Ninety Seven Lac Five Thousand Six Hundred and Thirty Four only) as specified in the Intimation failing which penalty under Sub-section (1) of Section 221 of the Act will be attracted. In response to the aforesaid Demand letter issued to the Company, the Company has by its letter dated 16th March, 2012 addressed to the Assistant Commissioner of Income Tax, Thane reiterated their request for rectification of the mistake in the said Intimation and *inter-alia* requested that a refund order be issued along with interest instead of a demand for unpaid tax liability and further that no penalty under the provisions of Sub-section (1) of Section 221 of the Act should be levied. By a letter dated 17th August, 2012 addressed to the Assistant Commissioner of Income Tax, the Company had once again requested for necessary rectification and issuance of refund order, however, the Company has not received any response in relation to the same till date.

(f) The Company has received intimation under sub-section (1) of Section 143 of the Income Tax Act, 1961 dated 29th March, 2011 in relation to the assessment year 2009-2010 directing the Company to pay a sum of ` 43,40,570/- (Rupees Forty Thee Lac Forty Thousand Five Hundred and Seventy only) towards tax payable on its book profits after taking into account a sum interest payable and advance tax. The Company has by its letters dated 1st June, 2011 and January 16, 2012 addressed to the Assistant Commissioner of Income Tax, Thane sought rectification of the mistake in assessment for tax for the assessment year 2009-2010. The Company has contended, *inter-alia*, that credit of advance tax of a sum of ` 50,00,000/- (Rupees Fifty Lac only) was not given and interest under Sections 234A, 234B and 234C were wrongly charged and therefore a sum of ` 16,22,436/- (Rupees Sixteen Lac Twenty Two Thousand Four Hundred and Thirty Six only) was to be refunded to the Company together with interest thereon from 31st March, 2009 till the date of refund. By a letter dated 17th August, 2012 addressed to the Assistant Commissioner of Income Tax, the Company had once again requested for necessary rectification and issuance of refund order, however, the rectification application is still pending.

Sales Tax/ VAT/ Central Excise Cases

A show cause-cum-demand notice dated 3rd April, 2008 was issued to the Company by the Assistant Commissioner alleging incorrect utilisation of CENVAT credit and requiring the Company to show cause as to why (i) CENVAT credit amounting to ₹ 3,12,809/- (Rupees Three Lac twelve Thousand Eight Hundred and Nine only) that was wrongly availed should not be demanded and recovered under the provisions of Rule 4 of the CENVAT Credit Rules, 2004 ("**Credit Rules**"); (ii) interest under Rule 14 of the Credit Rules should not be recovered from them (iii) penalty should not be imposed on the Company under Rule 15 of the Rules. In response to the show cause notice, the Company submitted its reply dated 15th May, 2008 and written submissions dated 26th September, 2008. Thereafter, an order in original dated 16th October, 2008 was passed by the Assistant Commissioner Central Excise and Customs ("**Impugned Order-I**") wherein it was, *inter-alia*, held that (i) an amount of ₹ 3,12,809/- should be recovered from the Company along with interest under Rule 14 of the Credit Rules on the said amount; and (ii) penalty of ₹ 5,000/- under Rule 15 of the Credit Rules be imposed on the Company. The Company had preferred an appeal against the Impugned Order-I before the Commissioner (Appeals) Central Excise and Customs, Mumbai, *inter-alia*, praying for the Impugned Order-I to be set aside. The Company had also filed an application for the waiver of the pre-deposit of demand and penalties imposed under the Impugned Order-I. By an Order dated 14th November, 2011 ("**Impugned Order-II**") passed by the Learned Commissioner (Appeals), the Impugned Order-I was upheld and the penalty amount was enhanced from ₹ 5000/- to ₹ 10,000/-. The Company has now preferred an appeal before the Hon'ble CESTAT, *inter-alia*, praying for setting aside of the Impugned Order-II and the matter is currently pending.

Registrar of Companies

A notice dated December 2, 2012 was received by our Company from the Registrar of Companies with respect to a complaint filed by one of our shareholders being Mrs. Vaikhari Chowkidar for non-transfer, non-receipt of bonus shares and dividends. We have replied to the aforesaid notice and the matter is currently pending.

B) LITIGATIONS FILED BY OUR COMPANY

I. Cases Filed By Our Company/ Notices Sent By Our Company

a) A Summary Suit bearing No.77 of 2010 has been filed by the Company before the Court of Civil Judge (Senior Division), Thane under Order XXXVII Rule 2 of the Civil Procedure Code, 1908 against B.V. Bio–Corp Limited ("**the Defendants**") alleging non-payment of a sum of ₹ 3,09,400/- (Rupees Three Lac Nine Thousand Four Hundred only) being the value of the goods supplied by the Company to the Defendants under various purchase orders in the year 2007. The Company has filed the summary suit seeking recovery of money and *inter-alia* praying for a decree to direct the Defendants to pay (i) the entire amount of ₹ 3,09,400/- to the Company within earmarked time limits; (ii) compound interest at the rate of 30 per cent per annum with effect from 5th May, 2007 on ₹ 3,09,400/- till the date of payment of the said amount and (iii) ₹ 35,000/- towards the cost of the suit. By an order dated 28th November, 2011 passed by the 4th Joint Civil Judge, Senior Division, Thane ("**Order**") in the aforesaid summary suit, it was *inter-alia* held that (i) the suit be decreed with costs; (ii) the Defendant be directed to pay a sum of ₹ 3,09,400/- along with interest at the rate of 30% per annum from 5th May, 2007 till the date of payment and (iii) a decree be drawn up accordingly.

b) A Summary Suit bearing no. 76 of 2011 was filed by the Company before the Court of Civil Judge (Senior Division), Thane under Order XXXVII Rule 2 of the Civil Procedure Code, 1908 against Messrs Kishan Agro Agency and Mr. Ashok Bhandari ("**Defendants**") alleging non-payment of sum of ₹ 1,12,350/- (Rupees One Lac twelve Thousand Three Hundred and Fifty only) being the value of goods supplied to the Defendants under a purchase order dated 12th July, 2007. The Company has filed the summary suit seeking recovery of money and *inter-alia* praying for a decree to direct the Defendants to pay (i) the entire amount of ₹ 1,12,350/- to the Company within the earmarked time limits; (ii) compound interest at the rate of 30 per cent per annum on the amount of ₹ 1,12,350/- from 5th August, 2007 till the date of realisation of the said amount; and (iii) ₹ 35,000/- towards the cost of the suit. The next date of hearing of the abovementioned matter is 15th June, 2013 and the same is currently pending.

c) A Summary Suit bearing no. 83 of 2010 has been filed by the Company before the Court of Civil Judge (Senior Division), Thane for recovery of money under Order XXXVII Rule 2 of the Civil Procedure Code, 1908 against Messrs Guybro Chemical ("**Defendants**") alleging non-payment of ₹ 2,34,231/- (Rupees Two Lac Thirty Four Thousand Two Hundred and Thirty One only) being the value of goods supplied to the Defendants. The Company has filed the present summary suit seeking recovery of money and *inter-alia* praying for a decree to direct the Defendants to pay (i) the entire amount of ₹ 2,34,231/- to the Company within earmarked time limits; (ii) compound interest at the rate of 18 per cent per annum from 23rd July, 2007 till the date of realization of the said amount; and (iii) ₹ 35,000/- towards the cost of the suit. The next date of hearing of the abovementioned matter is 15th June, 2013 and the same is currently pending.

d) A Summary Suit bearing no. 104 of 2010 has been filed by the Company before the Court of Civil Judge (Senior Division), Thane for recovery of money under Order XXXVII Rule 2 of the Civil Procedure Code, 1908 against Messrs Tan Well Chemical ("**Defendants**") alleging non-payment of ₹ 47,919/- (Rupees Forty Seven Thousand Nine Hundred and Nineteen only) being the value of goods supplied to the Defendants vide two separate consignments. The Company has filed the present summary suit seeking recovery of money and inter-alia praying for a decree to direct the Defendants to pay (i) the entire amount of ₹ 47,919/- to the Company within earmarked time limits; (ii) compound interest at the rate of 30 per cent per annum from 25th September, 2007 on the first consignment and from 18th October, 2007 on the second consignment till the date of realization of the said amount; and (iii) ₹ 35,000/- towards the cost of the suit. The last date of hearing of the abovementioned matter was February 28, 2013 and the same is currently pending.

e) A Summary Suit bearing no. 149 of 2010 has been filed by the Company before the Court of Civil Judge (Senior Division), Thane for recovery of money under Order XXXVII Rule 2 of the Civil Procedure Code, 1908 against Messrs Anupa Auxichem Agency ("**Defendants**") alleging *inter-alia* non-payment of ₹ 32,228/- being part-payment toward the value of goods supplied to the Defendants *vide* two separate consignments. The Company has filed the present summary suit seeking recovery of money and *inter-alia* praying for a decree to direct the Defendants to pay (i) the entire amount of ₹ 32,228/- to the Company within earmarked time limits; (ii) compound interest at the rate of 30 per cent per annum from 12th November, 2007 on the first consignment and from 2nd December, 2007 on the second consignment till the date of realization of the said amount; (iii) the difference in tax paid (i.e. 4% VAT less 3% Local Sales Tax) + interest at the rate of 1% per annum from the date of liability till the date of deposit of the said amount on account of non-submission of Form C in respect of the supplies made by the Company to the Defendants; and (iv) ₹ 35,000/- towards the cost of the suit. The last date of hearing of the abovementioned matter was February 20, 2013 and the same is currently pending.

f) A Summary Suit bearing no. 148 of 2010 has been filed by the Company before the Court of Civil Judge (Senior Division), Thane for recovery of money under Order XXXVII Rule 2 of the Civil Procedure Code, 1908 against Messrs Mittal & Sons ("**Defendants**") alleging *inter-alia* non-payment of ₹ 2,27,011/- (Rupees Two Lac Twenty Seven Thousand and Eleven only) being part-payment toward the value of goods supplied to the Defendants *vide* various consignments. The Company has filed the present summary suit seeking recovery of money and *inter-alia* praying for a decree to direct the Defendants to pay (i) the entire amount of ₹ 2,27,011/- to the Company within earmarked time limits; (ii) compound interest at the rate of 30 per cent per annum from February 5, 2008 till the date of realization of the said amount; (iii) the difference in tax paid (i.e. 4% VAT less 3% Local Sales Tax) + interest at the rate of 1% per annum from the date of liability till the date of deposit of the said amount on account of non-submission of Form C and Form F in respect of the supplies made by the Company to the Defendants on ₹ 4,23,708/- (being the amounts payable on earlier assignments) and ₹ 6,28,922/-; and (iv) ₹ 35,000/- towards the cost of the suit. The last date of hearing of the abovementioned matter was February 20, 2013 and the same is currently pending.

g) A Summary Suit bearing no. 78 of 2010 has been filed by the Company before the Court of Civil Judge (Senior Division), Thane for recovery of money under Order XXXVII Rule 2 of the Civil Procedure Code, 1908 against Uttara Food and Feeds Private Limited (Ajmer) ("**Defendants**") alleging non-payment of sum of ₹ 2,10,000/- (Rupees Two Lac Ten Thousand only) being the value of goods supplied to the Defendants under a purchase order dated 3rd October, 2007. The Company had filed the summary suit seeking recovery of money and *inter-alia* praying for a decree to direct the Defendants to pay (i) a sum of ₹ 2,10,000/- to the Company; (ii) compound interest at the rate of 18 per cent per annum with effect from 21st November, 2007 till the realization of the said amount; and (iii) ₹ 35,000/- towards the cost of the suit. The last date of hearing of the aforesaid matter was February 20, 2013 and the same is currently pending.

h) A Summary Suit bearing no. 57 of 2011 has been filed by the Company before the Court of Civil Judge (Senior Division), Thane for recovery of money under Order XXXVII Rule 2 of the Civil Procedure Code, 1908 against Messrs Umanath Agency ("**Defendants**") *inter-alia* alleging non-payment of sum of ₹ 67,293/- (Rupees Sixty Seven Thousand Two Hundred and Ninety Three only) being the value of goods supplied to the Defendants under two separate assignments. The Company had filed the summary suit seeking recovery of money and inter-alia praying for a decree to direct the Defendants to pay (i) a sum of ₹ 67,293/- to the Company within the earmarked time limits; (ii) compound interest at the rate of 30 per cent per annum from 9th May, 2008 in respect of the first assignment and from 21st August, 2008 in respect of the second assignment till the realization of the said amount; (iii) the difference in tax paid (i.e. 4% VAT less 3% Local Sales Tax) + interest at the rate of 1% per annum from the date of liability till the date of deposit of the said amount on account of non-submission of Form C in respect of the supplies made by the Company to the Defendants on the sum of ₹ 6,22,170/- (being the amounts payable on earlier consignments together with the sum of ₹ 67,293/-); and (iii) ₹ 35,000/- towards the cost of the suit. The last date of hearing of the abovementioned matter was February 26, 2013 and the same is currently pending.

i) A Summary Suit bearing no. 151 of 2010 has been filed by the Company before the Court of Civil Judge (Senior Division), Thane for recovery of money under Order XXXVII Rule 2 of the Civil Procedure Code, 1908 against Raikvaa Traders Private Limited ("**Defendants**") alleging non-payment of ₹ 1,51,362/- (Rupees One Lac Fifty One Thousand Three Hundred and Sixty Two only) being part-payment toward the value of goods supplied to the Defendants *vide* two separate consignments. The Company has filed the present summary suit seeking recovery of money and *inter-alia* praying for a decree to direct the Defendants to pay (i) the entire amount of ₹ 1,51,362/- to the Company within earmarked time limits; (ii) compound interest at the rate of 30 per cent per annum from 21st December, 2007 in respect of the first consignment and from 30th December, 2007 in respect of the second consignment till the date of realization of the said amount; and (iii) ₹ 35,000/- towards the cost of the suit. The last date of hearing of the abovementioned matter was February 26, 2013 and the same is currently pending.

j) A Summary Suit bearing no. 150 of 2010 has been filed by the Company before the Court of Civil Judge (Senior Division), Thane for recovery of money under Order XXXVII Rule 2 of the Civil Procedure Code, 1908 against Messrs Gauri Foods and Mr. Agarwal ("**Defendants**") *inter-alia* alleging non-payment of sum of ₹ 1,09,177/- (Rupees One Lac Nine Thousand One Hundred and Seventy Seven only) being the value of goods supplied to the Defendants. The Company had filed the summary suit seeking recovery of money and *inter-alia* praying for a decree to direct the Defendants to pay (i) a sum of ₹ 1,09,177/- to the Company within the earmarked time limits; (ii) compound interest at the rate of 30 per cent per annum from 19th November, 2007 till the realization of the said amount; (iii) the difference in tax paid (i.e. 4% VAT less 3% Local Sales Tax) + interest at the rate of 1% per annum from the date of liability till the date of deposit of the said amount on account of non-submission of Form C in respect of the supplies made by the Company to the Defendants on the sums of ₹ 76,424/- and ₹ 54,589/- (being the amounts payable on earlier consignments) and ₹ 1,09,177/-; and (iv) ₹ 35,000/- towards the cost of the suit. The last date of hearing of the abovementioned matter was February 28, 2013 and the same is currently pending.

k) A Summary Suit bearing No.25 of 2011 has been filed by the Company before the Court of Civil Judge (Senior Division), Thane for recovery of money under Order XXXVII Rule 2 of the Civil

Procedure Code, 1908 against Messrs Shree Ram Industries and Mr. Atul Goel ("**Defendants**") alleging non-payment of ₹ 2,67,631/- (Rupees Two Lac Sixty Seven Thousand Six Hundred and Thirty One only) being part-payment towards the value of goods supplied to the Defendants. The Company had filed the present summary suit seeking recovery of money and *inter-alia* praying for a decree to direct the Defendants to pay (i) the entire amount of ₹ 2,67,631/- to the Company within earmarked time limits; (ii) compound interest at the rate of 30 per cent per annum from 6th November, 2008 till the date of realization of the said amount; and (iii) ₹ 35,000/- towards the cost of the suit. The last date of hearing of the abovementioned matter was February 27, 2013 and the same is currently pending.

l) The Company has filed complaint bearing No.246 of 2005 before the Consumer Dispute Redressal Forum, Mumbai Suburban District, against WSA Shipping (Bombay) Private Limited ("**WSA Shipping**") under Clause (g) of Section 2 and Section 3 of the Consumer Protection Act, 1986, *inter-alia*, alleging negligence and deficiency in services provided by WSA Shipping. The Company has alleged that it hired the services of WSA Shipping for delivery of a product called 'SEBRITE BP' packed in 8 drums to its customer in Istanbul. It is further alleged that the shipment failed to reach the prescribed destination resulting in loss to the Company and its customer. The Company, therefore, filed the aforesaid complaint seeking compensation of a sum of ₹ 4,22,711/- (Rupees Four Lac twenty Two Thousand Seven Hundred and Eleven only) towards cost of the material, freight charges, interest thereon, legal costs etc. By an order dated 27th August, 2010 ("**Impugned Order**") passed by the Additional Consumer Redressal Forum, the complaint filed by the Company was partly accepted and WSA Shipping was directed to pay the Company a sum of (a) USD 7,200 together with interest thereon at the rate of 6 percent per annum for the period from 1st September, 2004 to 31st May, 2005; (b) ₹ 7,225/- towards fright paid and interest thereon at the rate of 6 percent from 1st September, 2004 to 31st May, 2005; and (c) ₹ 10,000/- towards costs. WSA Shipping has filed appeal bearing No. 1106 of 2010 ('**Appeal**') before the State Consumer Disputes Redressal Commission against the Impugned Order praying, *inter-alia*, (a) that the Impugned Order be quashed or set aside (b) pending hearing of the appeal, the Impugned Order be stayed (c) for costs of the delay condonation application before the State Consumer Disputes Redressal Commission against the aforesaid order dated 27th August, 2010. WSA Shipping has filed a miscellaneous application bearing no. 613 of 2010 in the Appeal for condonation of delay in the Appeal filed by WSA Shipping against the Impugned Order. The abovementioned matter is currently pending and the next date of hearing is 26th March, 2013.

m) Messrs Madhura Chemicals ("**Madhura**") had placed various purchase orders with the Company for supplying consignments of different enzymes and bio chemical products. The total cost of these consignments amounted to a sum of ₹ 2,94,283/- (Rupees Two Lac Ninety Four Thousand Two Hundred and Eighty Three only) from and out of which Madhura has not made a balance payment of ₹ 2,71,663/- (Rupees Two Lac Seventy One Thousand Six Hundred and Sixty Three only). The Company has *vide* letter dated February 10, 2011 sent through its Advocate Laxman Thorat called upon Madhura to pay the balance sum of ₹ 2,71,663/- together with interest at the rate of 30 percent per annum thereon till the date of payment of such amount. Madhura has *vide* its letter dated 21st March, 2011 sent through its Advocate S. Ramamurthy denied the allegations in the letter sent on behalf of the Company, *inter-alia*, denying its liability to pay any amounts to the Company. Madhura has, *inter-alia*, demanded that the Company refund the security deposit amounting to ₹ 2,00,000/- (Rupees Two Lac only) together with accrued interest thereon. The Company has in its reply dated 4th May, 2011 stated that upon recalculation of the amount to be paid by Madhura after taking into account the security deposit Madhura was liable to pay to the Company a sum of ₹ 54,563/- (Rupees Fifty Four Thousand Five Hundred and Sixty Three only) together with interest thereon and called upon Madhura to pay the same. The Company has not yet initiated any proceedings against Madhura.

n) A Summary Suit bearing no. 73 of 2012 was filed by the Company before the Court of Civil Judge (Junior Division), Thane under Order XXXVII Rule 2 of the Civil Procedure Code, 1908 against Pure Foods Private Limited and two others ("**Defendants**") alleging non-payment of sum of ₹ 2,28,176/- (Rupees Two Lakhs Twenty Eight Thousand One Hundred Seventy Six) being the part consideration of goods supplied to the Defendants under a purchase order (through email) dated 26th June, 2009 and 26th October, 2009. The Company has filed the summary suit seeking recovery of money and, *inter-alia*, praying for a decree to direct the Defendants to pay (i) the entire amount of ₹ 2,28,176/- to the Company within the earmarked time limits; (ii) compound interest at the rate of 30 per cent per annum on the amount of ₹ 2,28,176/- from 31st October, 2009 till the date of realisation of the said amount; and (iii) ₹ 35,000/- towards the cost of the suit. The said matter is currently pending.

II. *IPR related notices of Opposition filed by the Company*

(a) The Company has filed a notice of opposition before the Registrar of Trademarks, Trade Marks Registry, Mumbai against application bearing no. 1167422 filed by Novozymes A/S Switzerland ("**Novozymes**") for registration of the mark "PECTAWAY" in Class 1 ("**the Trademark**"). The Company has, *inter-alia,* alleged that they are the proprietors of the trademark PECTAZYME and that the registration of the Trademark would lead to confusion in the course of business amongst members of the trade and consumers. The Company has, therefore, prayed that (**i**) the mark under application 1167422 be refused registration (**ii**) the notice of opposition be allowed and (iii) the costs of the proceedings be awarded to the Company. Novozymes has filed its counter-statement against the aforesaid Notice of Opposition denying the allegations set out therein and have inter-alia prayed (i) for their application no.1167422 to proceed for registration; (ii) that the notice of opposition filed by the Company be refused; and (iii) that the costs of the proceedings be awarded to Novozymes. The abovementioned matter is currently pending.

(b) The Company has filed a notice of opposition before the Registrar of Trademarks, Trade Marks Registry, Mumbai against application bearing No. 1216653 filed by Novozymes A/S, Switzerland ("**Novozymes**") for registration of the mark 'PECTAWASH' in Class 1. The Company has, *inter-alia,* alleged that they are the proprietors of the trademark PECTAZYME and that the registration of the Trademark would lead to confusion in the course of business amongst members of the trade and consumers. The Company has, therefore, prayed that (i) the mark under application No. 1216653 be refused registration (ii) the notice of opposition be allowed and (iii) the costs of the proceedings be awarded to the Company. Novozymes has filed its counter-statement against the aforesaid Notice of Opposition denying the allegations set out therein and have, *inter-alia*, prayed (i) for their application no.1216653 to proceed for registration; (ii) that the notice of opposition filed by the Company be refused; and (iii) that the costs of the proceedings be awarded to Novozymes. Mrs. Savita Rathi has filed an affidavit as evidence in support of the aforesaid Notice of Opposition. The abovementioned matter is currently pending.

III. *Criminal cases*

(a) The Company has filed a criminal case bearing no. 1429 of 2012 before the Court of the Judicial Magistrate, First Class at Thane against Ankur Drugs and Pharma Limited and four others ("**Accused**") under Section 138 and Section 141 of the Negotiable Instrument Act, 1881. The Company has alleged that the cheque tendered by the Accused to the Company towards payment of a sum of ₹ 2,44,701/- (Rupees Two Lac Forty Four Thousand Seven Hundred and One only) payable to the Company under a purchase order dated 21st November, 2010 was dishonoured. The Company had issued a legal notice dated January 11, 2012 to the Accused calling upon them to pay the said amounts, however, no response was received. The Company has prayed, *inter-alia*, to issue process against the Accused under Section 138 read with Section 141 of the Negotiable

Instruments Act, 1881 and that they be punished in accordance with law. The matter is currently pending and the next date of hearing is 9th April, 2013.

(b) The Company has filed two criminal cases bearing nos. 4826 of 2012 and 4827 of 2012 before the Court of the Judicial Magistrate, First Class at Thane against Mission Vivacare Limited and four others ("**Accused**") under Section 138 and Section 141 of the Negotiable Instrument Act, 1881. Mission Vivacare Limited had placed an order with the Company for supply of certain materials under Purchase Order dated 25th March, 2011 for a consideration of ₹ 14,61,903/- (Rupees Fourteen Lakh Sixty One Thousand Nine Hundred and Three) out of which ₹ 2,00,000/- (Rupees Two Lakhs) were paid by Mission Vivacare Limited to the Company on duly receiving the materials. Thereafter, the Accused had issued two separate cheques amounting to ₹ 6,00,000/- (Rupees Six Lac only) and ₹ 6,61,903/- (Rupees Six Lac Sixty One Thousand Nine Hundred and Three only) for the remaining consideration payable under the Purchase Order dated 25th March, 2011. The aforesaid cheques tendered by the Accused were dishonoured. Subsequently, the Company had issued two legal notices on 16th April, 2012 and 18th April, 2012 to the Accused calling upon them to pay the said amounts, however, no response was received. Therefore, The Company filed the aforesaid complaint wherein it has been prayed, *inter-alia*, to issue process against the Accused under Section 138 read with Section 141 of the Negotiable Instruments Act, 1881 and that they be punished in accordance with law. The matter is currently pending and the next date of hearing is 8th April, 2013.

C) LITIGATION INVOLVING OUR PROMOTERS/DIRECTORS

I. Cases filed against Promoters/Directors

A complaint bearing No.1 of 2010 was filed by Mr. Shankar Eknath Bothade ("**Complainant**"), an Inspector appointed under The Maharashtra Mathadi, Hamal and Other Manual Workers (Regulation of Employment) Act, 1969 ("**1969 Act**") before the Hon'ble Labour Court, Nashik Industrial Court at Nashik under Section 14 and Section 43 of the Maharashtra Mathadi, Hamal and Other Manual Workers (Regulation of Employment) Scheme, 1987 against Mr. Chandrakant Laxminarayan Rathi and Mr. Mukund Kabra ("**Respondents**") alleging that the Company has violated the provisions of the 1969 Act by removing five labourers from employment who were employed for loading and unloading activities without any reason given. The Complainant has prayed that (i) appropriate action be taken by the court, on the basis of law and its provisions; (ii) the said five workers be reinstated permanently; (iii) cost of litigation be borne by the Respondents (iv) any other direction that the court may seem necessary (v) and prevent any delay by the Respondents in executing court orders. The abovementioned matter is currently pending.

II. Cases filed by Promoters/Directors

NIL

III. Claims and notices from statutory authorities

NIL

D) LITIGATIONS INVOLVING THE GROUP COMPANIES/SUBSIDIARIES

I. Cases filed against the Group Company (Advanced Vital Enzymes Limited)

(a) A notice of opposition bearing No.763985 was filed before the Registrar of Trademarks, Trade Marks Registry, Mumbai by Bharat Serums & Vaccines Limited ("**Opponents**") against the application bearing No.1787055 filed by Advanced Vital Enzymes Limited ("**AVEL**") for registration of the trademark "CEROKINASE" in Class 5 ("**the Trademark**"), under the Trade Marks Act, 1999 ("**Act**"). The Opponents have *inter-alia* claimed that they are the registered proprietors of the trademark "STROKINASE" and that the Trademark is visually, structurally, phonetically and conceptually identical to their trademark and that the use of the Trademark would be detrimental to the distinctive character of the Opponents trademark and thus would be in violation of the provisions of the Act. The Opponents have, *inter-alia,* prayed that (i) the Application bearing No. 1787055 for registration of the mark CEROKINASE in Class 5 be rejected; (ii) the opposition be allowed in favour of the Opponents; (iii) exemplary costs of the proceedings be awarded to the Opponents. AVEL has filed a counter-statement against the aforesaid Notice of Opposition inter-alia, (a) denying all the allegations contained in the notice of opposition and (b) sought for dismissal of the opposition and that the application for registration be allowed.

(b) A notice of opposition bearing no.757486 was filed before the Registrar of Trademarks, Trade Marks Registry, Mumbai by Alkem Laboratories Limited ("**Opponents**") against the application bearing No.1761109 filed by Advanced Vital Enzymes Limited ("**AVEL**") for registration of the trademark "BE + VE" in Class 5 ("**the Trademark**"), under the Trade Marks Act, 1999 ("**Act**"). The Opponents have, *inter-alia,* claimed that they are the registered proprietors of the trademark "BEPOSITIVE" and that the Trademark is visually, structurally, phonetically and conceptually identical to their trademark and that the use of the Trademark would be detrimental to the distinctive character of the Opponents trademark and thus would be in violation of the provisions of the Act. The Opponents have, *inter-alia,* prayed that (i) the Application bearing No. 1761109 for registration of the mark BE + VE in Class 5 be rejected; (ii) the opposition be allowed in favour of the Opponents; and (iii) exemplary costs of the proceedings be awarded to the Opponents. AVEL has filed a counter-statement against the aforesaid Notice of Opposition, *inter-alia*, (a) denying all the allegations contained in the notice of opposition and have (b) sought for dismissal of the opposition and that the application for registration be allowed.

(c) A notice of opposition bearing no. 758785 was filed before the Registrar of Trademarks, Trade Marks Registry, Mumbai by Universal Medicare Private Limited ("**Opponents**") against the application bearing No.1446168 filed by Advanced Vital Enzymes Limited ("**AVEL**") for registration of the trademark "D-Gas" in Class 5 ("**the Trademark**"), under the Trade Marks Act, 1999. The Opponents have, *inter-alia,* claimed that they are the registered proprietors of the trademark "DEGAS" and that the Trademark is visually, structurally, phonetically and deceptively similar to their trademark and that the use of the Trademark would be detrimental to the distinctive character of the Opponents trademark and thus would be in violation of the provisions of the Act. The Opponents have, *inter-alia,* prayed that (i) the opposition be allowed; (ii) registration of the Trademark be refused; and (iii) award costs of the proceedings to the Opponents. AVEL has filed a counter-statement against the aforesaid Notice of Opposition, *inter-alia* (a) sought for dismissal of the opposition and that the application for registration be allowed and (b) that the cost of the proceedings be awarded to the Opponents.

(d) A notice of opposition was filed before the Registrar of Trademarks, Trade Marks Registry, Mumbai by Galpha Laboratories Limited ("**Opponents**") against the application bearing No. 1446164 filed by Advanced Vital Enzymes Limited ("**AVEL**") for the registration of the trademark "NYZM" in Class 5 ("**the Trademark**"), under the Trade Marks Act, 1999 ("**Act**"). The Opponents have, inter-alia, claimed that they are the proprietors of the registered lable trademark comprising the work "NYZME" and that the registration of the Trademark would be detrimental to the distinctive character of the Opponents trademark and thus would be in violation of several provisions of the Act. The Opponents have, *inter-alia,* prayed that (i) the Application bearing No. 1446164 for registration of the mark NYZM be rejected; (ii) the opposition be allowed in favour of the Opponents; and (iii) exemplary costs of the proceedings be awarded to the Opponents. AVEL has withdrawn the aforesaid application bearing No.

1446164 and through its attorney's letter dated 12th August, 2008 has requested to the Registrar of Trademarks to pass appropriate orders for withdrawal of the aforesaid application and abatement of the aforesaid opposition.

(e) A Special Civil Suit bearing no. 284 of 2012 was filed by one Bini Laboratories Private Limited ("**Plaintiff**") before the Hon'ble Civil Judge, Senior Division, Nashik against Advanced Vital Enzymes Limited ("**Defendant**"). The Plaintiff has stated that the Plaintiff and the Defendant had entered into an agreement dated February 10, 2010 for the purpose of manufacturing, marketing and distribution of certain products. The Plaintiff has, *inter alia*, alleged that due to the Defendant's breach of the provisions of the aforesaid agreement, Plaintiff was ordered by Food and Drug Administration Department to stop all the manufacturing activities for the period November, 2010 to January 2011 which resulted in a heavy loss to the Plaintiff. The Plaintiff has, therefore, filed the present civil suit, *inter alia*, praying for a decree directing the Defendant to pay the damages amounting to ₹ 17,00,000/- (Rupees Seventeen Lac only) together with interest @ 24% p.a. till the date of realization of the said amount. The next date of hearing in the aforesaid matter is April 15, 2013 when the Defendant is required to file its Written Statement.

(f) In addition to the above, a complaint (ULP) Misc. No. 43 of 2007 (now bearing Complaint (ULP) No. 126 of 2008) has also been filed before the Labour Court at Thane against our Company, Mr. Piyush Rathi and Advanced Bio-Nutraceuticals Limited (now Advanced Vital Enzymes Limited), which has be enumerated in detail above under the head "*A) Litigation filed against our Company*".

II. Cases filed by Advanced Vital Enzymes Limited

(a) Advanced Vital Enzymes Limited (**"AVEL"**) has filed a notice of opposition before the Registrar of Trademarks, Trade Marks Registry, Mumbai against application bearing no. 2024496 filed by Anthus Pharmaceuticals Private Limited for registration of the mark "ENIMAX" in Class 5 (**"the Trademark")** under the Trade Marks Act, 1999 ("**Act**"). AVEL, has *inter alia*, alleged that they are the proprietors of the trademark EN-Max and that registration of the Trademark which was similar to their trademark would lead to confusion among members of trade and medical fraternity and that the registration of the Trademark would be contrary to several provisions of the Act. AVEL has, therefore, prayed that (i) their notice of opposition be allowed; (ii) the application for registration of the trademark "ENIMAX" under No. 2024496 in class 5 in the name of Anthus Pharmaceuticals Private Ltd. be refused; and (iii) the cost of the proceedings be awarded to AVEL. The abovementioned matter is currently pending.

III. Claims and notices from statutory authorities

NIL

Save and except as mentioned above, there are no other outstanding litigations involving our Company, our Promoters, our Directors, our Group Companies or our Subsidiaries of any nature.

E) PENALTIES IMPOSED IN PAST CASES IN THE LAST FIVE YEARS

(a) By a Compunding Order dated March 31, 2011, the application for compounding made by our Company pertaining to the delay in submission of Form FC-GPR to the RBI pursuant to the bonus issues made on on March 15, 2007 and March 18, 2010 was allowed. Our Company was required to pay an amount of ₹ 25,000 (Rupees Twenty Five Thousand only) as penalty for the same;

(b) By a Compunding Order dated March 30, 2011, the application for compounding made by our Company pertaining to the non-filing of Form FC-TRS with the RBI pursuant to the transfer of 35,000 Equity Shares from Mr. Vasant Laxminarayan Rathi to Mr. Dipak Roda, Mr. Mukund Kabra, Mr. Piyush Rathi, Dr. Anil Gupta and Mr. Beni Rauka on August 17, 2009 was allowed. Our Company was required to pay an amount of ₹ 25,000 (Rupees Twenty Five Thousand only) as penalty for the same; and

(c) In the year 2006, an order was passed against our Company by the Deputy Commissioner, Nashik Division (Food and Drugs Administration Department) for contravention of the provisions of Drugs and Cosmetic Act, 1940 pursuant to which the drug licence for our manufacturing plant at Sinnar was suspended for a period of 15 days from June 26, 2006 to July 10, 2006. Further, in the year 2011, another order was passed by the same authority suspending the aforesaid licence for a period of 3 days from March 9, 2011 to March 11, 2011.

F) AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS

As on September 30, 2012, our Company owes ₹ 2.07 Million to Micro, Medium and Small Enterprises. Further, for Fiscal 2012, our Company owed ₹ 5.51 Million to Micro, Medium and Small Enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMEDA).

Material developments occurring after the last Balance Sheet Date

Except as mentioned below there are no material developments which would affect the business and operations of our Company after the last Balance Sheet Date: -

(i) By a Stock Purchase Agreement dated October 31, 2012, Advanced Enzymes USA, a wholly-owned subsidiary of the Company, has acquired Advanced Supplementary Technologies Corporation from Mr. Vasant Laxminarayan Rathi, Ms. Rachana Rathi, Ms. Rasika Rathi and Ms. Reshma Rathi, by paying a consideration of USD 31,00,000 of which USD 2,000,000 was payable in cash and balance USD 1,100,000 by way of Purchaser Notes. The cash amounts and the Purchaser Notes were to be allocated to the Sellers in proportion to their shares held by them in Advanced Supplementary Technologies Corporation. Proforma Financial Statements have not been included in this Draft Red Herring Prospectus, since the financial statements of the acquired company are not material to those of our Company; and

(ii) Our Subsidiary, Advanced Enzymes USA had obtained loans from Rathi Property LLC and one of our Promoters, Mr. Vasant Laxminarayan Rathi amounting to USD 3 million and USD 17 million at the rate of 3.5% per annum. Further, Promissory Notes dated December 13, 2012 were issued to the aforesaid Rathi Property LLC and Mr. Vasant Laxminarayan Rathi against the aforesaid loan.

Adverse Events

There have been no material adverse events affecting the operations of our Company, occurring within one year prior to the date of filing of the Draft Red Herring Prospectus with SEBI.

GOVERNMENT AND OTHER STATUTORY APPROVALS

In view of the approvals listed below, our Company can undertake this Issue. Except for pending approvals mentioned under this heading, our Company has received the necessary material consents, licenses, permissions and approvals from the Government and various Government agencies required for our present business and carrying on our business activities. It must be distinctly understood that, in granting these approvals, the Government of India, the Reserve Bank of India or any other authority does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus.

A. APPROVALS FOR THE ISSUE

The following approvals have been obtained or will be obtained in connection with the Issue:

1. Our Board of Directors has, pursuant to a resolution passed at its meeting held on January 8, 2013 authorized the Issue subject to the approval by the shareholders of our Company under Section 81 (1A) of the Companies Act, such other authorities as may be necessary.

2. The shareholders of our Company have approved this Issue under Section 81 (1A) of the Companies Act, 1956 vide a Special Resolution passed at our Company's Extra-Ordinary General Meeting held on February 2, 2013.

3. We shall apply to the RBI for its approval for the sale of the Equity Shares by the Selling Shareholders as a part of the Issue after filing of the DRHP and shall obtain the same before filing of the RHP with the ROC.

4. We shall apply to the FIPB for investment into the Company by foreign investors in terms of the extant foreign policy.

5. In-principle approval for listing from the NSE dated [●].

6. In-principle approval for listing from the BSE Limited dated [●].

B. APPROVALS/LICENSES/PERMISSIONS RECEIVED TO CONDUCT OUR BUSINESS

The Company has been granted the following registrations/approvals/licenses: -

1. Permanent Account Number (PAN) – AABCA4555E;

2. Tax deduction Account Number (TAN) – PNEA05159A;

3. Tax Payer Identification Number (TIN) – 27720299379 V;

4. Importer Exporter Code – 0389050768;

5. Enrollment number with the Joint Director General of Foreign Trade – 03800579;

6. Central Sales Tax registration dated 1st April, 2006 bearing No. 277220299379 C;

7. Maharashtra Value Added Tax registration dated 1st April, 2006 bearing No. 277220299379 V;

8. Registration dated 16th March, 1993 with the Employees State Insurance Corporation bearing Code No. 31-25911-34;

9. Certificate of registration under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 dated January 29, 1991 bearing No. PT/R/1/2/12/4772;

10. Registration dated 17th September, 1994 with the Office of the Regional Provident Fund Commissioner bearing No. MH/PF/APP/95/64/1459; and

11. Letter dated 26th September, 2005 issued by the Employees Provident Fund Organization, Regional Office, Mumbai II, Thane bearing No. MH/99558/PF/APP/09A/3346 allotting a separate code being MH/99558 in continuation of the original code being MH/05164.

Specific registrations/approvals/licenses

Sr. No.	Property description	Activity carried on by the Company	Licenses and Approvals obtained	Date of expiry
1.	Premises at Offices Nos. 501 to 506 on the "Sun – Magnetica", A-Wing, 5th Floor, Near LIC Service Road, Naupada, Thane – 400 604	Registered Office	(i) Service Tax registration certificate dated January 20, 2009 bearing No. AABCA4555EST004;	NA
			(ii) Shops and Establishments certificate dated 6th April, 1990 and revalidated on 22nd December, 2010	31st December 2013
2.	Premises at Unit No. 106 and extension "D", 1st Floor in B Building B (1) in Dhanlaxmi Service Industrial Estate situated at Gokul Nagar, Old Agra Road, Thane (West); and (ii) Part (III) First Floor in Building (1) in Dhanlaxmi Service Industrial Estate situated at Gokul Nagar, Old Agra Road, Thane (West)*	Research and Development centre	Shops and Establishment license dated 3rd April, 2008 and revalidated 3rd December, 2009	31st December 2012*
3.	Premises at Part (I), First Floor in Building B (1) in Dhanlaxmi Service Industrial Estate situated at Gokul Nagar, Old Agra Road, Thane (West) *	Research and Development centre	--	--
4.	Premises at Unit No. 105 and extension "C", 1st Floor in B Building B (1) in Dhanlaxmi Service Industrial Estate situated at Gokul Nagar, Old Agra Road, Thane (West); and Part (II), First	Research and Development centre	--	--

Sr. No.	Property description	Activity carried on by the Company	Licenses and Approvals obtained	Date of expiry
	Floor in Building (1) in Dhanlaxmi Service Industrial Estate situated at Gokul Nagar, Old Agra Road, Thane (West)*			
5.	Premises at Plot No. A-61/62 in the Sinnar Industrial Area, within the village limits of Malegaon and outside the limits of Sinnar Municipal Council in rural area, Taluka and Registration Sub-district Sinnar, District and Registration District, Nashik	Manufacturing unit	(i) Central Excise Registration Certificate dated 3rd October, 2005 bearing No. AABCA4555EXM002;	NA
			(ii) Service Tax registration certificate dated 12th April, 2007 bearing No. AABCA4555EST001;	NA
			(iii) Consent to Operate under the Water Act, Air Act and Hazardous Wastes Rules dated 29th October, 2009 bearing No. BO/RO-NK/PCI-I/EIC-NK-3750-09/R/CC-44;	31st July, 2014
			(iv) Registration Certificate as a Health Bio-tech Unit dated 20th October, 2004 bearing No. BT (Health Bio-Tech)/Registration/11/16/JDI/ 2288;	NA
			(v) Clarification as a "Continuous Process Industry" dated 3rd September, 2007 issued by the Directorate of Industries, Mumbai;	NA
			(vi) Secretariat of Industrial Approval dated 8th April, 1996 issued by Ministry of Industry;	NA

Sr. No.	Property description	Activity carried on by the Company	Licenses and Approvals obtained		Date of expiry
			(vii)	Certificates of a Pharmaceutical Product dated 15th March, 2012 bearing No. WHO-MP/CERT/NKD/NEW 42 for (a) Serratiopeptidase (b) Lactase (c) Papain (d) Hemicellulase and (e) Cellulase;	14th March, 2014
			(viii)	Certificate of Good Manufacturing Practice dated 21st March, 2012;	14th March, 2014
			(ix)	License to work a factory with effect from 31st December, 2003 bearing no. 300/8-A;	31st December 2013
			(x)	License to manufacture for sale drugs other than those specified in Schedule X dated January 20, 2012 bearing No. 004313;	31st December 2016
			(xi)	Certificate of exemption of electricity duty dated 20th October, 2004 issued by the Electricity Officer, Industry, Energy and Labour Department;	19th October, 2014
			(xii)	Certificate of registration bearing No. 15/1994 dated February 15, 2013 issued by Registering Officer, Contract Labour Act, 1970	31st December, 2013
6.	Gat No. 121, Plot No. 1,2,3,4,5,6,7,8,9 and 10 being part of Village Pali, Taluka Shahapur, District Thane	Manufacturing unit	(i)	Central Excise Registration Certificate dated 21st March, 2006 bearing No. AABCA4555EXM003;	NA

Sr. No.	Property description	Activity carried on by the Company	Licenses and Approvals obtained	Date of expiry
			(ii) Service Tax Registration Certificate dated 10th June, 2008 bearing No. AABCA4555EST003; and	NA
			(iii) Factory License is valid till 31st December, 2018.	31st December, 2018
			(iv) Consent to Operate under the Water Act, Air Act and Hazardous Wastes Rules dated 4th May, 2012 bearing No. BO/JD PAMS/RO Kalyan/EIC NO KN-5767-12/R/CC-77;	January 31, 2017
7.	Plot No. B - 5 to 13, Dhar, Special Economic Zone, Pithampur, Indore, Madhya Pradesh.	Manufacturing unit	(i) Letter of Permission dated 5th July, 2005 bearing No. 63/ISEZ/Proj/2005 – 2006/135 issued by the Development Commissioner, Indore Special Economic Zone**;	20th April, 2013**
			(ii) Letter of Permission dated 24th September, 2009 bearing No. 63/ISEZ/Proj/2005-2006/797 issued by the Development Commissioner, Indore Special Economic Zone;	NA
			(iii) Bond-cum-legal Undertaking for Special Economic Zone dated 18th September, 2006 between the Company and the President of India (through the Development Commissioner, Indore Special Economic Zone);	NA

Sr. No.	Property description	Activity carried on by the Company	Licenses and Approvals obtained	Date of expiry
			(iv) Letter dated 30th November, 2009 bearing No. 63/ISEZ/Proj/2005-2006/1020 issued by the Development Commissioner, Indore Special Economic Zone;	NA
			(v) Authorisation under Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 dated January 2, 2012;	5 years w.e.f 1st December 2011
			(vi) Consent to Operate dated 27th November, 2012 bearing No. 191/SEZ/P/MPPCB/2012 – 2013 issued by Office of Superintending Engineer, Madhya Pradesh Pollution Control Board under the Water Act;	February 29, 2016
			(vii) Consent to Operate dated 27th November, 2012 bearing No. 123/SEZ/MPPCB/2012 – 2013 issued by Office of Superintending Engineer, Madhya Pradesh Pollution Control Board under the Air Act;	February 29, 2016

Sr. No.	Property description	Activity carried on by the Company	Licenses and Approvals obtained	Date of expiry
			(viii) Approval of the Building Plans dated 4th July, 2007 bearing No. D-12/ISEZ/2007-2008/326 issued by Office of the Development Commissioner, Indore Special Economic Zone;	NA
			(ix) Water Supply agreement dated 27th October, 2005 between the Company and the Executive Engineer, Madhya Pradesh Audyogik Kendra Vikas Nigam (Indore) Limited;	NA
			(x) Permission for storage of Furnace Oil dated 18th June, 2007 bearing No. A/P/CB/MP/15/84 (P198480);	NA
			(xi) Central Sales Tax registration dated January 18, 2006 bearing No. 23711604343 issued by Sales Tax Officer;	NA
			(xii) Professional Tax registration dated January 24, 2006 bearing No. 78161602283 issued by the Professional Tax Officer;	NA
			(xiii) License to work a factory dated 3rd December, 2012; Licence no. 05/D-12/ISEZ/399;	31st December 2013

Sr. No.	Property description	Activity carried on by the Company	Licenses and Approvals obtained	Date of expiry
			(xiv) Licenses dated 21st April, 2008 to manufacture for sale of drugs issued under by the Controller of Food and the Drugs Administration, Madhya Pradesh under the Drugs and Cosmetics Rules, 1945;	20th April, 2013
			(xv) Registration Certificate under the Contract Labour (Regulation and Amendment) act, 1970 dated 15th May, 2007 bearing No. 01/ISEZ/RC/2007 – 2008 as amended;	30th June, 2013
			(xvi) Registration dated February 18, 2008 with the Employees State Insurance Corporation bearing Code No. 18-15414-34;	NA
8.	H-17, MIDC Area, Satpur, Nasik Industrial Estate, Nashik, Maharashtra – 422 007.	Manufacturing unit	(i) Central Excise Registration Certificate dated 29th September, 2005 bearing No. AABCA4555EXM001;	NA
			(ii) Service Tax Registration Certificate dated 12th April, 2007 bearing No. AABCA4555ST002;	NA

Sr. No.	Property description	Activity carried on by the Company	Licenses and Approvals obtained	Date of expiry
			(iii) Consent to Operate under the Water Act, Air Act and Hazardous Wastes Rules dated 16th June, 2009 bearing No. RON/NASHIK/CON-87/1853 issued by the Maharashtra Pollution Control Board;	31st May, 2014
			(iv) Building Completion Certificate dated 12th December, 1986 bearing No. DB/Nsk/2936 of 1986 issued by MIDC;	NA
			(xiii) License to manufacture for sale drugs other than those specified in Schedule X dated February 25, 2010 bearing No. NKD/51;	February 24, 2015
			(xiv) License to run a factory with effect from 31st December, 1997 bearing no. 300-8/2- 31	31st December 2013
9.	Building comprising of Ground Floor, First Floor and Second Floor with open terrace situated at A-135, Road No. 23, Wagle Industrial Estate, Thane (West)	Research and Development centre	Shops and Establishment license dated 3rd April, 2008	31st December, 2015

**The premises mentioned in Sr. Nos. 2, 3 and 4 have been vacated by the Company and currently the Company does not carry any operations at the aforesaid premises. Therefore, the Shops and Establishment license has not been renewed.*

*** As per Rule 19 (6) of the Special Economic Zone Rules, 2006, the Letter of Permission is valid for a period of 5 years from the commencement of commercial production. The date of commencement of commercial productions is 21st April, 2008. Therefore, the aforesaid Letter of Permission is valid till 20th April, 2013.*

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorized by a resolution of the Board passed at their meeting held on January 8, 2013, subject to the approval of shareholders through a special resolution to be passed pursuant to section 81 (1A) of the Companies Act.

The shareholders of our Company have approved this Issue under section 81 (1A) of the Companies Act, 1956 *vide* a Special Resolution passed at our Company's Annual General Meeting held on February 2, 2012.

The Selling Shareholders has confirmed that it has held the Equity Shares proposed to be offered and sold in the Issue for more than one year prior to the date of filing of this DRHP and that the Selling Shareholders has not been prohibited from dealings in securities market and the Equity Shares offered and sold are free from any lien, encumbrance or third party rights.

Pursuant to a letter dated [●], we have applied to the RBI for its approval for the sale of the Equity Shares by the Selling Shareholders as a part of the Issue.

Prohibition by SEBI or RBI

Our Company, the Selling Shareholders, our Directors, our Promoter, the Group Companies, companies promoted by or Promoters and companies or entities with which our Company's Directors are associated as Directors / Promoters / partners have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. The listing of any securities of our Company has never been refused at anytime by any of the Stock Exchange in India. Our Company, our Promoter, their relatives, Group Companies has not been detained as willful defaulters by RBI/government authorities and there are no violations of securities laws committed by them in the past or pending against them.

None of the Directors are associated with any entities, which are engaged in securities market related business and are registered with SEBI for the same other than the following: -

(i) Mr. Kedar Desai (Non-executive and Independent Director on our Board) is also an independent director on the board of Axis Mutual Fund Trustee Limited, which is a registered entity with SEBI bearing SEBI Registration Code: MF/061/09/02; and

(ii) Mr. Chandrakant Rathi (Managing Director) is an independent director on the board of Source Natural Foods and Herbal Supplements Limited, which is a listed .

Eligibility for the Issue

Our Company is eligible for the Issue in accordance with Regulation 26(1) of the SEBI (ICDR) Regulations, 2009 as explained under, with the eligibility criteria calculated in accordance with Restated Financial Statements:

Our Company has net tangible assets of at least ₹ 30 Million in each of the preceding 3 full years, of which not more than 50% are held as monetary assets.

Our Company has a minimum average pre-tax operating profit of ₹ 150 Million, calculated on a restated and consolidated basis, during the three most profitable years out of the immediately preceding five years;

Our Company has a Net Worth of at least ₹ 10 Million in each of the preceding 3 full years (of 12 months each).

Our Company shall ensure that the aggregate of the proposed issue and all previous issues made in the same financial year in terms of issue size is not expected to exceed five (5) times our pre- issue net worth as per the audited restated balance sheet of the last financial year.

Our Company has not changed its name in the last one year

Our Company's pre tax operating profit, net worth, net tangible assets and monetary assets derived from its restated consolidated financial statements for Fiscal 2012, 2011, 2010, 2009 and 2008, are set forth below:

(₹ in Million)

Particulars	**March 31, 2012**	**March 31, 2011**	**March 31, 2010**	**March 31, 2009**	**March 31, 2008**
Net Tangible Assets	496.31	511.69	539.33	514.87	368.02
Monetary Assets	52.97	148.79	17.19	9.98	5.76
Monetary Assets as a Percentage of Net Tangible Assets	10.67%	29.08%	3.19%	1.94%	1.56%
Pre Tax Operating Profit	453.79	155.38	144.30	88.08	59.43
Average pre tax operating profit of the three most profitable years	251.13				
Net Worth	970.42	632.67	478.56	375.37	317.39

a) Net Worth has been calculated as aggregate of equity share capital and reserves;

b) Net Tangible Assets has been calculated as aggregate of all net fixed tangible assets;

c) Monetary Assets comprises of cash and bank balance; and

d) Pre Tax Operating Profit has been calculated as profit before tax after excluding other income and post including extraordinary items.

Further, if the number of allottees in the proposed Issue is less than 1,000 allottees, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 15 days after our Company becomes liable to pay the amount, our Company shall pay interest at the rate of 15% per annum for the delayed period.

Disclaimer Clauses

SEBI DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THIS ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, ICICI SECURITIES LIMITED AND SBI CAPITAL MARKETS LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, IN FORCE FOR THE

TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS AND EACH OF THE SELLING SHAREHOLDERS ARE PRIMARILIY RESPONSIBLE FOR ALL STATEMENTS IN THE DRAFT RED HERRING PROSPECTUS IN RELATION TO SUCH SELLING SHAREHOLDER IN CONNECTION WITH THE OFFER FOR SALE, AND THE EQUITY SHARES OFFERED BY SUCH SELLING SHAREHOLDER IN THE OFFER FOR SALE, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS HEREBY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS ICICI SECURITIES LIMITED AND SBI CAPITAL MARKETS LIMITED HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED MARCH 28, 2013 WHICH READS AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIAL DOCUMENTS IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE.**

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, IT'S DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**

    a) **THE DRAFT RED HERRING PROSPECTUS FILED WITH THE SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THIS ISSUE;**

    b) **ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

    c) **THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE (AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.**

4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. – NOTED FOR COMPLIANCE**

5. **WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, SHALL NOT BE DISPOSED/ SOLD/ TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.**

6. **WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.**

7. **WE CERTIFY THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE SECURITIES AND EXCHANGE BOARD OF INDIA. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. NOT APPLICABLE**

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS SHALL BE MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE SHALL ENSURE THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. – NOTED FOR COMPLIANCE**

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE ALLOTTED SHARES IN THE DEMAT OR PHYSICAL MODE ONLY. - NOT APPLICABLE AS THE ISSUE SIZE IS MORE THAN ₹100 MILLION, HENCE UNDER SECTION 68B OF THE COMPANIES ACT, 1956, THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT ONLY.**

11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.

12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:

a. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY AND

b. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE SEBI FROM TIME TO TIME.

13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.

14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.

15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)', AS PER FORMAT SPECIFIED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA THROUGH CIRCULAR

17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS.

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE ISSUER AND THE SELLING SHAREHOLDERS FROM ANY LIABILITIES UNDER SECTION 63 AND SECTION 68 OF THE COMPANIES ACT, 1956 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BRLMs, ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 60B of the Companies Act. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 56, 60 and 60B of the Companies Act.

Track record of past issues handled by BRLMs

(a) The price information of past issues handled by ICICI Securities is as follows:

Sr No.	Issue Name	Issue Size ₹ (Mn.)	Issue Price (₹)	Listing Date	Opening Price on Listing Date	Closing Price on Listing Date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10th calendar day from listing date	Benchmark index as on 10th calendar days from listing day (Closing)	Closing price as on 20th calendar day from listing date	Benchmark index as on 20th calendar days from listing day (Closing)	Closing price as on 30th calendar day from listing date	Benchmark index as on 30th calendar days from listing day (Closing)
1	Bharti Infratel Limited	41,727.60	220*	28-Dec-12	200	191.65	-12.89%	5,908.35	207.40	5,988.40	204.95	6,039.20	210.30	6,074.80
2	Credit Analysis and Research Limited	5,399.78	750	26-Dec-12	940	922.55	23.01%	5,905.60	929.25	5,988.40	931.05	6,056.60	924.85	6,074.65
3	Tara Jewels Limited	1,794.99	230	6-Dec-12	242	229.9	-0.04%	5,930.90	230.25	5,857.90	223.75	5,905.60	234.00	5,988.40
4	Future Ventures India Ltd.	7,500.00	10	10-May-11	9.00	8.20	-18.00%	5,541.25	8.30	5,486.35	8.10	5,473.10	9.30	5,521.05
5	Muthoot Finance Ltd.	9,012.50	175	6-May-11	196.60	175.90	0.51%	5,551.45	160.50	5,499.00	157.60	5,412.35	175.25	5,532.05
6	PTC India Financial Services Ltd.	4,332.76	28	30-Mar-11	26.75	24.90	-11.07%	5,787.65	23.00	5,785.70	21.50	5,740.75	21.65	5,749.50
7	Punjab & Sind Bank	4,708.20	120	30-Dec-10	144.00	127.15	5.96%	6,101.85	118.85	5,762.85	119.75	5,691.05	105.45	5,505.90
8	A2Z Maintenance & Engineering Services Ltd.	7,762.47	400	23-Dec-10	500.00	328.55	-17.86%	5,980.00	327.15	6,157.60	304.25	5,863.25	302.35	5,743.25
9	Claris Lifesciences Ltd.#	3,000.00	228	20-Dec-10	224.40	205.85	-9.71%	19,888.88	204.85	20,389.07	199.10	19,224.12	185.35	18,978.32
10	Commercial Engineers & Body Builders Co. Ltd.	1,724.13	127	18-Oct-10	119.00	112.90	-11.10%	6,075.95	108.10	5,987.70	116.85	6,273.20	102.15	5,998.80

All above data is of NSE (Website www.nseindia.com)
BSE Data www.bseindia.com (only Claris as it's not listed on NSE)
Benchmark Index considered above in all the cases was NIFTY
**Discount of ₹10 per equity share offered to retail investors and Premium of ₹10 per equity share to Anchor investors. All calculations are based on Issue Price of Rs 220.00 per equity share*

 # As Claris is listed only on BSE, the benchmark index considered is SENSEX
Note: 10th, 20th, 30th trading day from listed day have been taken as listing day plus 10, 20 and 30 calendar days. Wherever 10th, 20th, 30th trading day is a holiday, we have considered the closing data of the next trading date / day

Summary statement of price information of past issues handled by ICICI Securities:

Financial Year	**Total No. of IPO's**	**Total Funds Raised (₹ Mn.)**	**Nos. of IPOs trading at Discount on listing date**			**No. of IPOs trading at premium on listing date**			**Nos. of IPOs trading at discount as on 30th calendar day from listing date**			**Nos. of IPOs trading at premium as on 30th calendar day from listing date**		
			Over 50%	**Between 25-50%**	**Less than 25%**	**Over 50%**	**Between 25-50%**	**Less than 25%**	**Over 50%**	**Between 25-50%**	**Less than 25%**	**Over 50%**	**Between 25-50%**	**Less than 25%**
2012-13	3	48,922.37	0	0	2	0	0	1	0	0	1	0	0	2
2011-12	2	16,512.50	0	0	1	0	0	1	0	0	1	0	0	1
2010-11	9	53,863.81	0	1	6	0	0	2	1	2	6	0	0	0

(b) The price information of past issues handled by SBI Caps is as follows:

DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER														
S. No	**Issue Name**	**Issue Size (₹. Mn)**	**Issue price**	**Listing date**	**Opening price on listing date**	**Closing price on listing date**	**% Change in price on listing date (Closing) Vs Issue price**	**Benchmark index on listing date (closing)**	**Closing price as on 10th calendar day from listing day**	**Benchmark index as on 10th calendar day from listing day (closing)**	**Closing price as on 20th calendar day from listing day**	**Benchmark index as on 20th calendar day from listing day (closing)**	**Closing price as on 30th calendar day from listing day**	**Benchmark index as on 30th calendar day from listing day (closing)**
1	SJVN Limited	10,627.37	26.00[(1)]	20-May-10	27.10	25.10	-3.46%	4,947.60	24.70	5,086.30	24.10	4,987.10	24.10	5,262.60
2	Jaypee Infratech Limited	22,576.00	102.00[(2)]	21-May-10	98.00	91.45	-10.34%	4,931.15	83.50	5,086.30	76.20	5,000.30	86.30	5,353.30
3	Microsec Financial Services Limited	1,475.00	118.00	05-Oct-10	135.10	110.90	-6.02%	20,407.71	91.00	20,497.64	88.60	20,303.12	79.40	20,465.74
4	Electrosteel Steels Limited	2,852.77	11.00	08-Oct-10	12.35	11.25	2.27%	20,250.26	10.80	20,168.89	10.95	20,005.37	11.12	20,852.38
5	Tecpro Systems Limited	2,679.05	355.00[(3)]	12-Oct-10	399.40	407.85	14.89%	20,203.34	399.95	20,260.58	425.50	20,355.63	418.20	20,875.71
6	A2Z Maintenance & Engineering services limited	7,762.47	400.00[(4)]	23-Dec-10	390.00	328.90	-17.78%	19,982.88	327.35	20,561.05	302.85	19,196.34	302.85	19,007.53
7	Punjab & Sind Bank	4,708.20	120.00	30-Dec-10	146.10	127.05	5.88%	20,389.07	118.55	19,224.12	119.85	19,092.05	110.20	18,395.97
8	PTC India Financial Services Limited	4,334.79	28.00[(5)]	30-Mar-11	26.75	24.90	-11.07%	5,787.65	23.40	5,842.00	22.05	5,729.10	22.20	5,785.45

9	Credit Analysis and Research Limited	5,399.77	750.00	26-Dec-12	949.00	923.95	23.19%	19,417.46	934.45	19,784.08	924.15	19,906.41	916.60	19,923.78
10	PC Jeweller Limited	6,013.08	135.00(6)	27-Dec-12	135.50	149.00	10.37%	19,323.80	181.90	19,691.42	169.00	19,986.82	157.80	20,103.53

Note: The 10th, 20th and 30th calendar day computation includes the listing day. If either of the 10th, 20th or 30th calendar days is a trading holiday, the next trading day is considered for the computation.

1. Issue price for employees and retail individual bidders was ₹ 24.70
2. Issue price for retail individual bidders was ₹ 96.90
3. Issue price for bidding employee was ₹ 338.00
4. Issue price for bidding employee was ₹ 380.00
5. Issue price for retail individual bidders was ₹ 27.00
6. Issue price for employees and retail individual bidders was ₹ 130.00

SUMMARY STATEMENT OF DISCLOSURE														
Financial year	**Total no. Of IPOs**	**Total funds raised (₹. Mn)**	**Number of IPOs trading at a discount on listing date**			**Number of IPOs trading at a premium on listing date**			**Number of IPOs trading at a discount as on 30th calendar day from listing day**			**Number of IPOs trading at a premium as on 30th calendar day from listing day**		
			Over 50%	**Between 25% and 50%**	**Less than 25%**	**Over 50%**	**Between 25% and 50%**	**Less than 25%**	**Over 50%**	**Between 25% and 50%**	**Less than 25%**	**Over 50%**	**Between 25% and 50%**	**Less than 25%**
2010-11	9.00	57,015.65	0	0	6	0	0	3	0	2	5	0	0	2
2011-12	0.00	0.00	0	0	0	0	0	0	0	0	0	0	0	0
2012-13	2.00	11,412.85	0	0	0	0	0	2	0	0	0	0	0	2

Note: The 30th calendar day computation includes the listing day. If the 30th calendar day is a trading holiday, the next trading day is considered for the computation.

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Track record of past issues handled by the Managers

For details regarding the track record of the Managers, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer to the websites of the BRLMs, as set forth in the table below:

Sr. No	Name of the Manager	Website
1.	ICICI Securities Limited	www.icicisecurities.com
2.	SBI Capital Markets Limited	www.sbicaps.com

For details regarding the track record of the BRLMs to the Issue as specified in circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please refer to the websites of the BRLM's www.icicisecurities.com and www.sbicaps.com.

Disclaimer from the Issuer, Directors, the Selling Shareholders and the Book Running Lead Manager

Investors may note that our Company, the Directors, the Selling Shareholders and BRLM accept no responsibility for statements made otherwise than in the Draft Red Herring Prospectus or in the advertisement or any other material issued by or at the instance of the Issuer and that any one, placing reliance on any other source of information including our Company's website, www.enzymeindia.com, would be doing so at his own risk.

All information will be made available by the Book Running Lead Manager, Underwriters, Syndicate members and our Company to the public and investors at large and no selective or additional information would be available for any section of the investors in any manner whatsoever including at road shows, presentations, in research or sales reports etc. We shall not be liable to the Bidders for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

The BRLM accepts no responsibility save to the limited extent as provided in the Memorandum of Understanding entered into between the BRLM and our Company and the Underwriting Agreement to be entered into between the Underwriters and our Company.

Our Company, Selling Shareholders, the Book Running Lead Manager or any other member of the Syndicate shall not be liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Caution

Investors that bid in this Issue will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approval to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approval to acquire Equity Shares. Our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives and the Selling Shareholders accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

The BRLM and its associates and affiliates may engage in transactions with, and perform services for, our Company and Promoter Group Entities, affiliates or associates of our Company in the ordinary course of business and have engaged, and may in future engage, in the provision of financial services for which they have received, and may in future receive, compensation.

Disclaimer in respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorized under their constitution to hold and invest in shares) and to NRIs, FIIs and Foreign Venture Capital Funds Registered with SEBI. The Draft Red Herring Prospectus does not, however, constitute an invitation to subscribe to shares issued hereby in any other jurisdiction to any person to whom it is unlawful to make an Issue or invitation in such jurisdiction. Any person into whose possession the Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe any such restrictions.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus was submitted to SEBI for its observations and SEBI has given its observation. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and the Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of the Draft Red Herring Prospectus nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The Equity Shares have not been and will not be registered under the US Securities Act ("the Securities Act") or any state securities laws in the United States and may not be issued or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), The Equity Shares shall be sold only outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

Disclaimer Clause of the BSE Limited

As required, a copy of the Draft Red Herring Prospectus has been submitted to the BSE Limited ("BSE"). The disclaimer clause as intimated by BSE to the Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Disclaimer Clause of NSE

As required, a copy of the Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to the Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Price information of the past issues handled by BRLMs

a. Price information of past issued handled by ICICI Securities

Name	Issue Size₹ (Mn.)	Issue Price (₹)	Listing Date	Opening Price on Listing Date	Closing Price on Listing Date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10th calendar day from listing date	Benchmark index as on 10th calendar days from listing day (Closing)	Closing price as on 20th calendar day from listing date	Benchmark index as on 20th calendar days from listing day (Closing)	Closing price as on 30th calendar day from listing date
i Infratel Limited	41,727.60	220*	28-Dec-12	200	191.65	-12.89%	5,908.35	207.40	5,988.40	204.95	6,039.20	210.30
t Analysis and rch Limited	5,399.78	750	26-Dec-12	940	922.55	23.01%	5,905.60	929.25	5,988.40	931.05	6,056.60	924.85
ewels Limited	1,794.99	230	6-Dec-12	242	229.9	-0.04%	5,930.90	230.25	5,857.90	223.75	5,905.60	234.00
e Ventures India	7,500.00	10	10-May-11	9.00	8.20	-18.00%	5,541.25	8.30	5,486.35	8.10	5,473.10	9.30
oot Finance Ltd.	9,012.50	175	6-May-11	196.60	175.90	0.51%	5,551.45	160.50	5,499.00	157.60	5,412.35	175.25
ndia Financial ces Ltd.	4,332.76	28	30-Mar-11	26.75	24.90	-11.07%	5,787.65	23.00	5,785.70	21.50	5,740.75	21.65
b & Sind Bank	4,708.20	120	30-Dec-10	144.00	127.15	5.96%	6,101.85	118.85	5,762.85	119.75	5,691.05	105.45
Maintenance & eering Services	7,762.47	400	23-Dec-10	500.00	328.55	-17.86%	5,980.00	327.15	6,157.60	304.25	5,863.25	302.35
Lifesciences	3,000.00	228	20-Dec-10	224.40	205.85	-9.71%	19,888.88	204.85	20,389.07	199.10	19,224.12	185.35
nercial Engineers dy Builders Co.	1,724.13	127	18-Oct-10	119.00	112.90	-11.10%	6,075.95	108.10	5,987.70	116.85	6,273.20	102.15

All above data is of NSE (Website www.nseindia.com)
BSE Data www.bseindia.com (only Claris as it's not listed on NSE)
Benchmark Index considered above in all the cases was NIFTY
**Discount of ₹10 per equity share offered to retail investors and Premium of ₹10 per equity share to Anchor investors. All calculations are based on Issue Price of Rs 220.00 per equity share*
 # As Claris is listed only on BSE, the benchmark index considered is SENSEX
Note: 10th, 20th, 30th trading day from listed day have been taken as listing day plus 10, 20 and 30 calendar days. Wherever 10th, 20th, 30th trading day is a holiday, we have considered the closing data of the next trading date / day

Summary statement of price information of past issues handled by ICICI Securities:

tal . O's	Total Funds Raised (` Mn.)	Nos. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			Nos. of IPOs trading at discount as on 30th calendar day from listing date			Nos. of IPOs trading on 30th calendar day date	
		Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Betwee 25-50%
3	48,922.37	0	0	2	0	0	1	0	0	1	0	
2	16,512.50	0	0	1	0	0	1	0	0	1	0	
9	53,863.81	0	1	6	0	0	2	1	2	6	0	

b. Price information of past issued handled by SBI Caps

DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER

S.No	Issue Name	Issue Size (₹. Mn)	Issue price	Listing date	Opening price on listing date	Closing price on listing date	% Change in price on listing date (Closing) Vs Issue price	Benchmark index on listing date (closing)	Closing price as on 10th calendar day from listing day	Benchmark index as on 10th calendar day from listing day (closing)	Closing price as on 20th calendar day from listing day	Benchmar index as o 20th calendar day from listing day (closing)
1	SJVN Limited	10,627.37	26.00[(1)]	20-May-10	27.10	25.10	-3.46%	4,947.60	24.70	5,086.30	24.10	4,987.
2	Jaypee Infratech Limited	22,576.00	102.00[(2)]	21-May-10	98.00	91.45	-10.34%	4,931.15	83.50	5,086.30	76.20	5,000.
3	Microsec Financial Services Limited	1,475.00	118.00	05-Oct-10	135.10	110.90	-6.02%	20,407.71	91.00	20,497.64	88.60	20,303.
4	Electrosteel Steels Limited	2,852.77	11.00	08-Oct-10	12.35	11.25	2.27%	20,250.26	10.80	20,168.89	10.95	20,005.
5	Tecpro Systems Limited	2,679.05	355.00[(3)]	12-Oct-10	399.40	407.85	14.89%	20,203.34	399.95	20,260.58	425.50	20,355.
6	A2Z Maintenance & Engineering services limited	7,762.47	400.00[(4)]	23-Dec-10	390.00	328.90	-17.78%	19,982.88	327.35	20,561.05	302.85	19,196.
7	Punjab & Sind Bank	4,708.20	120.00	30-Dec-10	146.10	127.05	5.88%	20,389.07	118.55	19,224.12	119.85	19,092.
8	PTC India Financial Services Limited	4,334.79	28.00[(5)]	30-Mar-11	26.75	24.90	-11.07%	5,787.65	23.40	5,842.00	22.05	5,729.
9	Credit Analysis and Research Limited	5,399.77	750.00	26-Dec-12	949.00	923.95	23.19%	19,417.46	934.45	19,784.08	924.15	19,906.
10	PC Jeweller Limited	6,013.08	135.00[(6)]	27-Dec-12	135.50	149.00	10.37%	19,323.80	181.90	19,691.42	169.00	19,986.

Note: The 10th, 20th and 30th calendar day computation includes the listing day. If either of the 10th, 20th or 30th calendar days is a trading holiday, the next trading day is considered for the computation.

7. Issue price for employees and retail individual bidders was ₹ 24.70
8. Issue price for retail individual bidders was ₹ 96.90
9. Issue price for bidding employee was ₹ 338.00
10. Issue price for bidding employee was ₹ 380.00
11. Issue price for retail individual bidders was ₹ 27.00
12. Issue price for employees and retail individual bidders was ₹ 130.00

SUMMARY STATEMENT OF DISCLOSURE															
			Number of IPOs trading at a discount on listing date			Number of IPOs trading at a premium on listing date			Number of IPOs trading at a discount as on 30th calendar day from listing day			Number of IPOs trading at a premium as on 30th calendar day from listing day			
Financial year	Total no. Of IPOs	Total funds raised (₹. Mn)	Over 50%	Between 25% and 50%	Less than 25%	Over 50%	Between 25% and 50%	Less than 25%	Over 50%	Between 25% and 50%	Less than 25%	Over 50%	Between 25% and 50%	Less than 25%
2010-11	9.00	57,015.65	0	0	6	0	0	3	0	2	5	0	0	2
2011-12	0.00	0.00	0	0	0	0	0	0	0	0	0	0	0	0
2012-13	2.00	11,412.85	0	0	0	0	0	2	0	0	0	0	0	2

Note: The 30th calendar day computation includes the listing day. If the 30th calendar day is a trading holiday, the next trading day is considered for the computation.

Track record of past issues handled by the BRLMs

For details regarding the track record of the Managers, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer to the websites of the BRLMs, as set forth in the table below:

Sr. No	Name of the Manager	Website
1.	ICICI Securities	www.icicisecurities.com

	Limited	
2.	SBI Capital Markets Limited	www.sbicaps.com

Filing

A copy of the Draft Red Herring Prospectus has been filed with the Securities Exchange Board of India at Corporation Finance Department, SEBI Bhavan, Plot No. C4-A, G Block, 3rd Floor, Bandra Kurla Complex, Bandra (E), Mumbai 400 051, India.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, will be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 60 of the Companies Act would be delivered for registration with RoC at the office of the Registrar of Companies, 100, Everest, Marine Drive, Mumbai- 400002.

Listing

Application will be made to the BSE Limited and the NSE for permission to deal in and for an official quotation of our Equity Shares. Our existing Equity Shares are not listed on any Stock Exchanges in India.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by any of the Stock Exchanges, our Company and the Selling Shareholders shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within eight days after we become liable to repay it, i.e., from the date of refusal or within 10 weeks from the date of Bid/ Issue Closing Date, whichever is earlier, then we and all our Directors jointly and severally shall, on and from expiry of eight days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

Our Company and the Selling Shareholders with the assistance of the Book Running Lead Manager shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at BSE and NSE are taken within twelve working days of finalization of Basis of Allotment for the Issue.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

"Any person who:

a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or

b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years."

Consents

Necessary Consents for the issue have been/will be obtained from the following:

1. The Selling Shareholders
2. Directors of our Company
3. Bankers to our Company

4. Auditors to our Company
5. Book Running Lead Manager to the Issue
6. Legal Advisor to the Issue
7. Registrar to the Issue
8. IPO Grading Agency
9. Company Secretary
10. Compliance Officer
11. Syndicate Member(s)
12. Underwriter(s)
13. Escrow Collection Banker(s) to the Issue

The said consents would be filed along with a copy of the Red Herring Prospectus with the Registrar of Companies, Mumbai, as required under Sections 60 and 60B of the Companies Act, 1956 and such consents have not been withdrawn up to the time of delivery of the Red Herring Prospectus, for registration with the Registrar of Companies, Mumbai.

In accordance with the Companies Act and the SEBI Regulations, Walker, Chandiok & Co, Chartered Accountants, our Company's Statutory Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in the Draft Red Herring Prospectus and such consent and report has not been withdrawn up to the time of delivery of the Draft Red Herring Prospectus for registration with the RoC.

Expert Opinion

Except for the report of [●] in respect of IPO Grading of this Issue (a copy of which will be annexed to the Red Herring Prospectus as Annexure I), furnishing the rationale for its grading which will be provided to the Designated Stock Exchange, the Audit Reports of the Auditors of our Company on the restated financial information, and the Tax Benefit Statement by the Auditors of our Company included in this Draft Red Herring Prospectus, our Company has not obtained any expert opinions.

Issue Related Expenses

The expenses for this Issue include Issue management fees, IPO Grading Expenses, selling commissions, underwriting commission, printing and distribution expenses, fee payable to other intermediaries, statutory advertisement expenses and listing fees payable to the Stock Exchange, amongst others. All the Issue Related expenses shall be shared by the Company and the Selling Shareholder in proportion of the number of Equity Shares issued in the Fresh Issue and the Offer for Sale, respectively. The estimated Issue expenses are as under:

Activity	Expenses (₹ in Million)	% of Issue Size	% of Issue expenses
Lead management fees, Underwriting, Brokerage and Selling commission*	[●]	[●]	[●]
Registrar Fees*	[●]	[●]	[●]
Fees to Non Syndicate Registered Brokers*	[●]	[●]	[●]
Fees to Bankers to the Issue, SCSB Commission, processing fees to SCSB for processing Bid cum Application Forms*	[●]	[●]	[●]
Advertisement and marketing expenses*	[●]	[●]	[●]
Printing and stationery (including expenses on	[●]	[●]	[●]

transportation of the material) *			
Others (Filing fees with SEBI, BSE, NSE, IPO Grading fees, listing fees, travelling and other misc expenses) *	[●]	[●]	[●]
Total			

**Will be incorporated at the time of filing of the Prospectus.*

Previous Public or Rights Issues in the last 5 years

Our Company has not made any public or rights issue of Equity Shares/Debentures in the last 5 years.

Previous Issue of Shares otherwise than for Cash

Our Company has not issued any Equity Shares for consideration other than cash except as mentioned in the *Chapter titled "Capital Structure" beginning on page* 74 *of the Draft Red Herring Prospectus.*

Commission or Brokerage on Previous Issues

There has been no public issue of the Equity Shares in the past. Thus, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares of our Company since inception.

Details of capital issue made during last three years in regard to the issuer company and other listed companies under the same management within the meaning of section 370(1)(B) of the Companies Act, 1956.

There have been no capital issue during last 3 years by us. There are no other listed companies under the same management within the meaning of Sec 370(1)(B) of the Act at present or during the last three years.

Promise vis-à-vis Performance – Last 3 issues

Our Company has not made any Public Issue in the past.

Listed ventures of Promoters

There are no listed ventures of our Promoters.

Promise vis-à-vis Performance – Last One Issue of Group Companies

There are no listed ventures of our Promoters.

Outstanding Debentures or Bonds or Redeemable Preference shares

There are no outstanding debentures or bonds or redeemable preference shares and other instruments outstanding as on the date of filing of the Draft Red Herring Prospectus.

Stock Market Data

This being an initial public offering of our Company, the Equity Shares of our Company are not listed on any stock exchange.

Mechanism for redressal of Investors' grievance

The agreement between the Registrar to the Issue, our Company and the Selling Shahreholder will provide for retention of records with the Registrar to the Issue for a period of at least three years from the last date of dispatch of letters of allotment, demat credit, refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar with a copy to the relevant SCSB or the Syndicate/Sub-syndicate member, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB or Syndicate/Sub-syndicate member where the Bid-cum-Application Form was submitted by the ASBA Bidders.

Disposal of Investors' Grievances and Redressal Mechanism

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the SCSB in case of Bidders applying through ASBA process for the redressal of routine investor grievances shall be seven Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

We have appointed Mr. Sunil Sharma as our Compliance Officer and he may be contacted in case of any pre issue/post issue related problems at the following address:

Mr. Sunil Sharma
Advanced Enzyme Technologies Limited
Sun Magnetica, 5th Floor,
Near LIC Service Road,
Louis Wadi, Thane
Maharashtra - 400 604
Tel No: + 91-22-4170 3200
Fax No: + 91-22-2583 5159
Email: sunil.sharma@enzymeindia.com
Website: www.enzymeindia.com

Our Company has not received any investor complaints during the three years preceding the filing of the Draft Red Herring Prospectus with SEBI. Further, no investor complaints are pending as on the date of filing the Draft Red Herring Prospectus with SEBI.

Changes in the Auditors during the last three years and reasons thereof

In the Annual General Meeting of our Company held on 18th August, 2011, Walker, Chandiok & Co was appointed as the new Auditor of our Company in place of M/s Nissim & Co since M/s Nissim & Co. expressed their unwillingness for reappointment as the Auditor of our Company.

Capitalization of Reserves or Profits during last five years

Except as stated in the Chapter titled "*Capital Structure*" beginning on page 74 of the Draft Red Herring Prospectus, our Company has not capitalised its reserves or profits at any time since inception.

Revaluation of Assets during the last five years

There has not been any revaluation of Assets during the last five years.

SECTION IX – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, SEBI (ICDR) Regulations, 2009, our Memorandum and Articles of Association, the terms of the Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus, Bid-cum-Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchange, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Ranking of Equity Shares

The Equity Shares being offered shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of the rights to receive dividend. The Allottees will be entitled to dividend, voting rights or any other corporate benefits, if any, declared by us after the date of Allotment. *For further details, please refer to Chapter titled "Main Provisions of Articles of Association" on page* 517 *of the Draft Red Herring Prospectus.*

Mode of Payment of Dividend

We shall pay dividend to our Shareholders as per the provisions of the Companies Act and our Articles of Association. The declaration and payment of dividends will be recommended by our Board of Directors and our shareholders, in their discretion, and will depend on a number of factors, including but not limited to our earnings, capital requirements and overall financial condition. We shall pay dividends in cash.

Face Value and Issue Price per Share

The face value of the Equity Shares is ₹ 10 each. The Floor Price of Equity Shares is ₹ [●] per Equity Share and the Cap Price is ₹ [●] per Equity Share. The Issue Price will be determined by our Company and the Selling Shareholders in consultation with the BRLM on the basis of assessment of market demand for the Equity Shares offered by way of Book Building. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws. The Issue Price is [•] times the face value of the Equity Shares.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and

- Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, the terms of the listing agreements with the Stock Exchange(s) and the Memorandum and Articles of Association our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, *please refer to Chapter titled "Main Provisions of Articles of Association" on page* 517 *of the Draft Red Herring Prospectus.*

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialised form. As per the existing SEBI (ICDR) Regulations, 2009, the trading in the Equity Shares shall only be in dematerialised form for all investors.

Since trading of our Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allocation and Allotment through this Issue will be done only in electronic form in multiples of one Equity Shares to the successful Bidders subject to a minimum Allotment of [●] Equity Shares. *For details of Allocation and Allotment, please refer to the paragraph titled "Basis of Allotment" under Chapter titled "Issue Procedure" beginning on page 461 of the Draft Red Herring Prospectus.*

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares transmitted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the equity share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or

b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

Bid/Issue Program

Bid/Issue opens on: **[●], 2013***	Bid/Issue closes on: **[●], 2013****

**Our Company and the Selling Shareholders in consultation with the BRLMs may consider participation by Anchor Investors. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Issue Opening Date.*
***Our Company and the Selling Shareholders in consultation with the BRLMs, may decide to close the Bidding for QIBs one day prior to the Bid/Issue Closing Date*

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the offer through the offer document including devolvement of Underwriters, if any, within sixty (60) days from the date of closure of the issue, our Company shall refund the entire subscription amount received, no later than 70 days from the closure of the Issue. If there is a delay beyond eight days, after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under Section 73 of the Companies Act, 1956.

If the number of allottees in the proposed Issue is less than 1,000 allottees, we shall forthwith refund the entire subscription amount received. If there is a delay beyond 15 days after we become liable to pay the amount, we shall pay interest at the rate of 15% per annum for the delayed period.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for (a) the lock-in of the pre-Issue capital of our Company and the Promoters' Contribution as provided in "Capital Structure" on page 74, and (b) otherwise provided in our Articles, as described in "Main Provisions of the Articles of Association" on page 517, there are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting.

Option to Receive Securities in Dematerialized Form

Equity Shares being offered through the Draft Red Herring Prospectus can be applied for and will be allotted in dematerialized form only.

ISSUE STRUCTURE

The present Issue comprising of [●] Equity Shares of ₹ 10 each for cash at price of ₹ [●] (including a premium of ₹ [●]) aggregating to ₹ [●] million comprising of Fresh Issue of [●] Equity Shares aggregating to ₹ 2,000 million by our Company and Offer for Sale upto 37,00,000 Equity Shares aggregating to ₹ [●] million by the Selling Shareholders is being made through the 100% Book Building process. The Issue comprises of a reservation of 1,00,000 Equity Shares for subscription by Eligible Employees. Details of the Issue structure are tabulated below: -

Particulars	**QIBs***	**Non Institutional Bidders**	**Retail Individual Bidders**	**Employee Reservation Portion**
Number of Equity Shares available for allocation	[●] Equity Shares.	Not less than [●] Equity Shares available for allocation or Net Issue size less allocation to QIB Bidders and Retail Individual Bidders	Not less than [●] Equity Shares available for allocation or Net Issue size less allocation to QIB Bidders and Non Institutional Bidders.	Up to 1,00,000 Equity Shares
Percentage of Issue Size available for allocation	50% of the Net Issue Size (of which 5% shall be reserved for Mutual Funds) However, 5% of the Net QIB Portion shall be available for allocation proportionately to Mutual Funds only.	Not less than 15% of the Net Issue Size or Net Issue Size less allocation to QIBs and Retail Individual Bidders	Not less than 35% of the Net Issue Size or Net Issue Size less allocation to QIBs and Non Institutional Bidders.	Up to [●] Issue Size.
Basis of Allocation if respective category is oversubscribed**	In the Anchor Investor Portion, upto [●] Equity Shares shall be available for allocation to Anchor Investors on a discretionary basis, out of which one third shall be available for allocation to domestic Mutual Funds only. In the Net QIB Portion, on proportionate basis which will be as follows : (a) upto [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds; and (b) [●] Equity Shares shall	Proportionate	Allotment to Retail Individual Bidders shall not be less than the minimum Bid lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, in Retail Portion shall be Allotted on a proportionate basis.	Proportionate

	be allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above.			
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares that the Bid Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares	[●] Equity Shares
Maximum Bid	Not exceeding the size of the Issue, subject to the investment limit applicable to the Bidder	Not exceeding the size of the Issue, subject to the investment limit as applicable to the Bidder	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid amount does not exceed ₹ 2,00,000.	Such number of Equity Shares whereby the Bid Amount does not exceed ₹ 200,000.
Mode of Allotment	Dematerialized mode	Dematerialized mode	Dematerialized mode	Dematerialized mode
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter
Trading Lot/Market lot	One (1) Equity Share	One (1) Equity Share	One (1) Equity Share	One (1) Equity Share

Who can apply* **	Public financial institutions, as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds, foreign institutional investor registered with SEBI, multilateral and bilateral development financial institutions, Venture Capital Funds registered with SEBI, foreign Venture capital investors registered with SEBI, State Industrial Development Corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum corpus of ₹ 250 million and pension funds with minimum corpus of ₹ 250 million, National Investment Fund in accordance with applicable law and Insurance funds set up and managed by Army, Navy or Air Force of the Union of India and Insurance Funds set-up and managed by the Department of Posts, India	Companies, Corporate Bodies, Scientific Institutions, Societies, Trusts, Resident Indian individuals, HUF (in the name of Karta), NRIs, sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals and QFIs (applying for an amount exceeding ₹ 2,00,000)	Individual Bidders (including HUFs and Eligible NRIs), other than Eligible Employees submitting Bids under the Employee Reservation Portion, who have not Bid for a Payment Amount more than ₹ 200,000.	Eligible Employees
Mode of Bidding	Only through ASBA	Only through ASBA	Through ASBA or non-ASBA	Through ASBA or non-ASBA
Terms of payment	The entire Bid Amount shall be payable at the time of submission of Bid cum Application Form to the members of the Syndicate. In case of ASBA Bidders, the SCSB shall be authorised to block the Bid Amount mentioned in the Bid cum Application Form.			

**Our Company and the Selling Shareholders may allocate upto 30% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price in accordance with the SEBI (ICDR) Regulations, 2009. At least one-third of the Anchor Investor Portion shall be available for allocation to Domestic Mutual Funds only subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Price. Allocation to Anchor Investors shall be on a discretionary basis subject to minimum number of two Anchor Investors.*

*** Under-subscription, if any, in any category, other than the QIB category, would be allowed to be met with spill over from the other categories, at the discretion of our Company and the Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange. Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue to the public.*

****In case the Bid-cum-Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and in the same sequence in which they appear in the Bid-cum-Application Form.*

Our Company and Selling Shareholders, in consultation with BRLMs may decide to offer discount of ₹ [•] to the Eligible Employees bidding in the Employee Reservation Portion at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion bidding at a price within the Price Band can make payment at the Payment Amount, i.e., the Bid Amount less Employee Discount, at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion bidding at the Cut-Off Price have to ensure payment at the Cap Price, less Employee Discount, at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion must ensure that the Payment Amount does not exceed ₹ 2,00,000. Please refer to the "Issue Procedure" on page 461 of this DRHP, for information on rejection of Bids.

*Eligible Employees bidding in the Employee Reservation Portion should note that while filling the "SCSB/Payment Details" block in the Bid-cum-Application Form, they must mention the Payment Amount, i.e., the Bid Amount less Employee Discount, as applicable. Please refer to the "***Issue Procedure***" on page 461, for further information including rejection of Bids.*

ISSUE PROCEDURE

This section applies to all Bidders. Please note that pursuant to the SEBI circular dated April 29, 2011, bearing no. CIR/CFD/DIL/1/2011, all Bidders other than Retail Individual Bidders and Eligible Employees, i.e. QIBs (excluding Anchor Investors) and Non-Institutional Bidders, are mandatorily required to submit their Bids by way of ASBA. ASBA Bidders should note that the ASBA process involves application procedures that are different from the procedure applicable to Bidders other than the ASBA Bidders. ASBA Bidders should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all Bidders are required to pay the full Payment Amount or in case of ASBA Bids ensure that the ASBA Account has sufficient credit balance such that the entire Payment Amount can be blocked by the SCSB at the time of making the Bid.

Please note that pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2012, certain aspects, such as withdrawal and revision of Bids, manner of allocation to Retail Individual Bidders and announcement of Price Band, have been modified. Please note that such modifications have come into effect from October 12, 2012 and all Bidders are advised to read this section carefully before participating in the Issue.

Further, pursuant to SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012 and circular no. CIR/CFD/DIL/ 4 /2013 dated 23/01/2013 and in partial modification of the Circular No. CIR/CFD/DIL/1/2011 dated April 29, 2011 *Bidders can submit Bid-cum- Application Forms in the Issue using the stock broker network of the stock exchanges who are not Syndicate / sub Syndicate Members, i.e. through Registered Brokers. This mechanism can be used to submit ASBA as well as non ASBA applications. The details of the locations will be made available on the website of the Stock Exchanges.*

Our Company and Selling Shareholders, in consultation with the BRLMs, may decide to offer discounts to the Issue Price amounting to ₹ [●] to Eligible Employees. Eligible Employees should note that the benefit of the Employee Discount can be availed at the time of submitting the Bid. Accordingly, after indicating the Payment Amount in the Bid-cum-Application Form, payment should be made of the Payment Amount i.e. the Bid Amount net of the Employee Discount, as the case may be.

In respect of QIBs that are Anchor Investors, the Issue Procedure set out below should be read with and is qualified by the paragraphs below relating to Anchor Investors including without limitation to the sub-section "Basis of Allotment - For Anchor Investors" under the chapter title "Issue Procedure" on page 461.

Our Company, the Selling Shareholders, the Directors of the Company, BRLMs and the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in applicable law, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as will be specified in this Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus.

Bidders are advised to make their independent investigations and ensure that their Bids do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Prospectus

Book Building Procedure

The Issue is being made through the Book Building Process wherein 50% of the Net Issue shall be available for allocation to QIBs on a proportionate basis. Provided that our Company may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis out of which at least one-third shall be reserved for domestic Mutual Funds only. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. The allotment of Equity Shares to each Retail Individual Bidder shall not be less than minimum bid lot, subject to availability of Equity Shares in Retail Investor category, and the remaining available Equity Shares, if any, shall be allotted on proportionate basis. Further, 1,00,000 Equity Shares shall be available for allocation on a proportionate basis to the Eligible Employees, subject to valid Bids being received from them at or above the Issue Price less the Employee Discount. However, the value of Allotment to any Eligible Employee shall not exceed ₹ 200,000.

In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion shall be added to the Net Issue. In the event of under-subscription in the Retail Portion or the Non-Institutional Portion in the Net Issue, the unsubscribed portion would be allowed to be met with spill over from over subscription from any other category or a combination of categories at the sole discretion of the Company, in consultation with the BRLMs and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.

In case of QIBs, other than Anchor Investors, Bidding through Syndicate ASBA, the BRLMs may reject Bids for reasons to be recorded in writing provided that such rejection shall be made at the time of acceptance of the Bid and the reasons therefore shall be disclosed to the Bidders. In case of Non-Institutional Bidders, Retail Individual Bidders and Eligible Employees, our Company has a right to reject Bids based on technical grounds only.

Bidders can Bid at any price within the Price Band. The Price Band and the Bid Lot for the Issue will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs, and advertised in an English national daily newspaper, a Hindi national daily newspaper and a Marathi daily newspaper, each with wide circulation at least five Working Days prior to the Bid/Issue Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price. This announcement shall be disclosed on the websites of the Stock Exchanges and shall also be pre-filled in the Bid-cum-Application Forms available on the websites of the Stock Exchanges.

Investors should note that Allotment to successful Bidders will only be in dematerialised form. Bid-cum-Application Forms which do not have the details of the Bidder's depository accounts including DP ID, PAN and Client ID will be treated as incomplete and rejected. Bidders will not have the option of receiving Allotment in physical form. On Allotment, the Equity Shares will be traded only on the dematerialised segment of the Stock Exchanges.

Bidders are required to ensure that the PAN (of the sole/first Bidder) provided in the Bid-cum-Application Form is exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held. The signatures of only such first Bidder would be required in the Bid-cum-Application Form and such first Bidder would deemed to have signed on behalf of the joint holder.

Bid-cum-Application Form

Retail Individual Bidders and Eligible Employees bidding through the non-ASBA process

Bidders other than ASBA Bidders can submit their Bids by submitting Bid-cum-Application Forms, in physical form, to the Syndicate, the Sub Syndicate or the Registered Brokers. Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion shall use a Bid-cum-Application Forms bearing the stamp of a Syndicate / Sub Syndicate / Registered Broker, which will be available with the Syndicate / Sub Syndicate and at our Registered Office. In addition, the Bid-cum-Application Forms will also be available for download on the websites of the Stock Exchanges, SCSBs and broker terminals of the Stock Exchanges. The Syndicate/Sub Syndicate, or the Registered Brokers, as the case may be, will be required to affix their stamp and code on the Bid-cum-Application Forms.

The Bid-cum-Application Form shall be serially numbered, the date and time shall be stamped, and on submission of such form, signed by the Retail Individual Bidder or the Eligible Employee bidding in the Employee Reservation Portion, the Syndicate/ Sub Syndicate or Registered Brokers, as the case may be, shall issue an acknowledgement by stamping the acknowledgement slip attached to the Bid-cum-Application Form as proof of having accepted the Bid-cum-Application Form.

All Registered Brokers of NSE and BSE (list available at http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm and http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3) which are part of the nationwide broker network of the Stock Exchanges, are enabled to accept application forms. The Registered Broker shall be responsible for uploading the bid on the Stock Exchange platform, banking the cheque / submitting the ASBA form to the SCSBs, etc. and liable for any failure in this regard.

Retail Individual Bidders, Eligible Employees, QIBs (other than Anchor Investors) and Non-Institutional Bidders bidding through the ASBA process

ASBA Bidders can submit their Bids by submitting Bid-cum-Application Forms, either in physical or electronic mode, to the SCSB with whom the ASBA Account is maintained or in physical form to the Syndicate, the Sub Syndicate or the Registered Brokers.

In case of Bid-cum-Application Forms submitted to the Designated Branches, the Designated Branch shall verify if sufficient funds equal to the Payment Amount are available in the ASBA Account, as mentioned in the Bid-cum-Application Form, prior to uploading such application in the electronic system of the Stock Exchanges. If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such application and shall not upload such application in the electronic system of the Stock Exchanges. If sufficient funds are available in the ASBA Account, the Designated Branch shall block an amount equivalent to the Payment Amount and upload details of the ASBA Application in the electronic system of the Stock Exchanges.

In case of an application in electronic mode, the ASBA Bidder shall submit the Bid-cum-Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for application and blocking funds in the ASBA Account held with SCSB, and accordingly registering such application.

The physical Bid-cum-Application Forms, will be available with the Designated Branches, Syndicate/ Sub Syndicate and at our Registered Office. In addition, the Bid-cum-Application Forms will also be available for download on the websites of the Stock Exchanges, SCSBs and broker terminals of the Stock Exchanges. The Syndicate/ Sub Syndicate, the SCSBs or the Registered Brokers, as the case may be, will be required to affix their stamp and code on the physical Bid-cum-Application Forms and issue an acknowledgement to the ASBA Bidders as proof of having accepted the Bid-cum-Application Form.

ASBA Bidders bidding directly through the SCSBs should ensure that the Bid-cum-Application Form is submitted to a Designated Branch where the ASBA Account is maintained. ASBA Bidders bidding through a Syndicate, Sub Syndicate or the Registered Brokers should ensure that the Bid-cum-Application Form is submitted at the Syndicate ASBA Centres or the Registered Broker Centres, respectively.

All Registered Brokers of NSE and BSE (list available at http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm and http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3) which are part of the nationwide broker network of the Stock Exchanges, are enabled to accept application forms. The Registered Broker shall be responsible for uploading the bid on the Stock Exchange platform, banking the cheque / submitting the ASBA form to the SCSBs, etc. and liable for any failure in this regard.

In case of application in electronic form, the ASBA Bidder shall submit the Bid-cum-Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA Account held with SCSB, and accordingly registering such Bids.

Upon completing and submitting the Bid-cum-Application Form to the SCSB, the Syndicate / Sub Syndicate or the Registered Brokers at the Registered Broker Centres, the ASBA Bidder is deemed to have authorized our Company to make the necessary changes in this Red Herring Prospectus and the Bid cum Application Form, as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder. Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid-cum-Application Form shall be considered as the application form.

To supplement the foregoing, the mode and manner of Bidding through the Bid-cum-Application Form is illustrated in the following chart:

Category of bidder	Mode of Bidding	To whom the application form has to be submitted
Retail Individual Bidders and Eligible Employees	Either (i) ASBA or (ii) non-ASBA	In case of ASBA Bidders (i) If using physical Bid cum Application Form, to the Syndicate/ Sub Syndicate at the Syndicate ASBA Centres, or to the Designated Branches of the SCSBs where the ASBA Account is maintained, or to the Registered Brokers at the Registered Broker Centres ; or (ii) If using electronic Bid cum Application Form, to the SCSBs, electronically through internet banking facility, where the ASBA account is maintained. In case of non-ASBA Bidder: Using physical Bid cum Application Form, to the Syndicate/ Sub Syndicate at the Syndicate ASBA Centres or the Registered Brokers at the Registered Broker Centres.
Non-Institutional	ASBA (*Kindly note that*	(i) If using physical Bid cum Application Form, to the

Category of bidder	Mode of Bidding	To whom the application form has to be submitted
Bidders and QIBs (excluding Anchor Investors)	*ASBA is mandatory and no other mode of Bidding is permitted*)	Syndicate / Sub Syndicate at the Syndicate ASBA Centres, to the Designated Branches of the SCSBs where the ASBA Account is maintained, or to the Registered Brokers at the Registered Broker Centres; or (ii) If using electronic Bid cum Application Form, to the SCSBs, electronically through internet banking facility, where the ASBA Account is maintained.
Anchor Investors	Non- ASBA	To the Lead Managers.

The prescribed colour of the Bid-cum-Application Form for various categories of Bidders is as follows:

Category	Colour of Bid-cum-Application Form *
Resident Indians and Eligible NRIs applying on a non-repatriation basis excluding Eligible Employees Bidding in the Employee Reservation Portion (ASBA and non-ASBA)	[●]
Non-Residents and Eligible NRIs, Eligible QFIs, registered Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis and FIIs (ASBA and non-ASBA)	[●]
Eligible Employees Bidding in the Employee Reservation Portion (ASBA and non-ASBA)	[●]
Anchor Investors**	[●]

* *Excluding electronic Bid-cum-Application Forms*

** *Bid-cum-Application Forms for Anchor Investors shall be available at the offices of the BRLMs*

Who can Bid?

- Indian nationals resident in India, who are not incompetent to contract under the Indian Contracts Act, 1872, as amended, in single or joint names (not more than three) Furthermore, based on the information provided by the Depositories, the Company shall have the right to accept Bids belonging to an account for the benefit of a minor (under guardianship);

- HUFs, in the individual name of the *Karta*. Such Bidders should specify that the Bid is being made in the name of the HUF in the Bid-cum-Application Form as follows: "Name of Sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids by HUFs will be considered at par with those from individuals;

- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares under their respective constitutional or charter documents;

- Foreign corporates or individuals Bidding in the QIB Portion, in accordance with all applicable law;

- Mutual Funds registered with SEBI;

- Eligible NRIs (whether on a repatriation basis or on a non-repatriation basis), subject to applicable law;

- Eligible QFIs under the Non-Institutional Bidders category;
- Indian financial institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, cooperative banks (subject to RBI regulations and the SEBI ICDR Regulations and other applicable law);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, Bidding in the QIB Portion;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals, Bidding in the Non-Institutional Portion;
- Alternative Investment Funds;
- State industrial development corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their respective constitutional or charter documents to hold and invest in equity shares;
- Scientific and/or industrial research organizations in India, which are authorised to invest in equity shares;
- Insurance companies registered with the IRDA;
- Insurance funds set up and managed by the Department of Posts, India;
- Provident funds with a minimum corpus of ₹ 250 Million and who are authorised under their constitutional documents to hold and invest in equity shares;
- Pension Funds with a minimum corpus of ₹ 250 Million and who are authorised under their constitutional documents to hold and invest in equity shares;
- National Investment Fund;
- Insurance funds set up and managed by the army, navy or air force of the Union of India;
- Multilateral and bilateral development financial institutions;
- Limited Liability Partnerships;
- Eligible Employees; and
- Any other persons eligible to Bid in the Issue, under the laws, rules, regulations, guidelines and polices applicable to them.

In accordance with FEMA and regulations framed thereunder, OCBs cannot Bid in the Issue.

The Equity Shares have not been and will not be registered under the U.S Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States (as defined in Regulation S under the U.S Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act. The Equity Shares

are being offered and sold only outside the United States in compliance with Regulation S under the U.S Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Anchor Investor Portion

Our Company and the Selling Shareholders, in consultation with the BRLMs, may consider participation by Anchor Investors in the Net Issue for up to 30% of the QIB Portion in accordance with the SEBI ICDR Regulations. Anchor Investors shall Bid on the Anchor Investor Bidding Date. The QIB Portion shall be reduced to the extent of allocation, if any under the Anchor Investor Portion. In accordance with the SEBI ICDR Regulations, the key terms for participation in the Anchor Investor Portion are as follows:

(a) Anchor Investors shall be QIBs as defined in the SEBI ICDR Regulations.

(b) The Bid by Anchor Investors must be for a minimum of such number of Equity Shares so that the Anchor Investor Bid Amount atleast ₹ 100 Million. A Bid by Anchor Investor cannot be submitted for more than the Anchor Investor Portion.

(c) Allocation to the Anchor Investors shall be on a discretionary basis and subject to the following:

   i. Maximum of two such Bidders shall be permitted for allocation up to ₹ 100 Million;

   ii. Minimum of two and maximum of 15 such Bidders shall be permitted for allocation above ₹ 100 Million and up to ₹ 2500 Million, subject to minimum allotment of ` 50 Million per such Bidder; and

   iii. Minimum of five and maximum of 25 such investors shall be permitted for allocation above ₹ 2,500 Million, subject to minimum allotment of ₹ 50 Million per such Bidder.

(d) [●] Equity Shares out of the Anchor Investor Portion shall be reserved for allocation to domestic Mutual Funds. Bids by various schemes of a Mutual Fund shall be clubbed to calculate the Payment Amount.

(e) The Bidding for Anchor Investors shall open one Working Day before the Bid/Issue Opening Date and shall be completed on the same day.

(f) Anchor Investors are not permitted to Bid in the Issue through the ASBA process.

(g) Our Company and the Selling Shareholders, in consultation with the BRLMs, shall finalise allocation to the Anchor Investors on a discretionary basis, subject to compliance with requirements regarding minimum number of allottees.

(h) The number of Equity Shares allocated to the Anchor Investors and the price at which the allocation is made, shall be made available in the public domain by the BRLMs before the Bid/Issue Opening Date.

(i) Anchor Investors shall pay the entire Payment Amount at the time of submission of the Bid by the Anchor Investors. In case the Issue Price is greater than the price at which allocation was done to Anchor Investors, the additional amount per Equity Share being the difference between the Issue Price and the price at which allocation was made to the Anchor Investors shall be paid by the Anchor Investors by the Anchor Investor Pay-in Date. In the event the Issue Price is lower than the price at which allocation is being done to the Anchor Investors, the Allotment to Anchor Investors shall be at the price at which allocation was made to the Anchor Investors.

(j) Anchor Investors cannot withdraw nor lower the size of their Bids at any stage.

(k) The Equity Shares allotted in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

(l) Bids made by QIBs under both the Anchor Investor Portion and the Net QIB Portion shall not be considered as multiple Bids.

(m) The payment instruments for payment into the Escrow Account should be drawn in favour of:

- In case of Resident Anchor Investors: "[●]"

- In case of Non-Resident Anchor Investor: "[●]"

Participation by associates and affiliates of the BRLMs and Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to subscribe to the Issue in any manner, except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLMs and the Syndicate Members may subscribe to or purchase Equity Shares in the Issue, in the Net QIB Portion or in Non-Institutional Portion as may be applicable to such Bidders. Such Bidding and subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

The BRLMs, the Syndicate Members, our Promoter and any persons related to them cannot apply in the Issue under the Anchor Investor Portion.

Bids by Mutual Funds

As per the SEBI ICDR Regulations, at least one third of the Anchor Investor Portion will be reserved for domestic Mutual Funds and 5% of the Net QIB Portion is reserved for allocation to Mutual Funds on a proportionate basis. An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand from Mutual Funds is greater than [●] Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion. A certified copy of the SEBI registration certificate must be lodged by the Mutual Funds along with the Bid-cum-Application Form, failing this, our Company reserves the right to reject any Bid.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in the equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Non Residents including Eligible NRIs or FIIs registered with SEBI

There is no reservation in the Issue for Eligible NRIs or FIIs. Eligible NRIs and FIIs will be treated on the same basis as other categories for the purpose of allocation. In accordance with the FEMA and the regulations framed thereunder, OCBs cannot Bid in the Issue. Further, VCFs and FVCIs are not permitted to invest in our Company in terms of the SEBI (Venture Capital Funds) Regulations, 1996, as amended, and the SEBI (Foreign Venture Capital Investors) Regulations, 2000, as amended, respectively.

Bids by Eligible NRIs

Bid-cum-Application Form shall be made available for Eligible NRIs at our Registered Office and Corporate Office, with the members of the Syndicate, on the websites of the Stock Exchange and at the offices of the Registered Office. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs intending to make payment through freely convertible foreign exchange and Bidding on a repatriation basis could make payments through Indian Rupee drafts purchased abroad or cheques or bank drafts or by debits to their Non-Resident External ("**NRE**") or Foreign Currency Non-Resident ("**FCNR**") accounts, maintained with banks authorised by the RBI to deal in foreign exchange. Eligible NRIs Bidding on a repatriation basis are advised to use the Bid-cum-Application Form meant for Non-Residents, accompanied by a bank certificate confirming that the payment has been made by debiting to the NRE or FCNR account, as the case may be. Payment for Bids by non-resident Bidder Bidding on a repatriation basis will not be accepted out of Non-Resident Ordinary ("**NRO**") accounts.

Bids by FIIs

Under the extant law, the total holding by a single FII cannot exceed 10% of the post- Issue paid-up equity share capital of our Company and the total holdings of all FIIs and sub-accounts cannot exceed 24% of the post Issue paid-up equity share capital of our Company. In case of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each of the sub-account shall not exceed 10% of our total paid-up capital or 5% of our total paid-up capital in case such sub-account is a foreign corporate or an individual. The said 24% limit can be increased up to the applicable sectoral cap by passing a resolution by the Board followed by passing a special resolution to that effect by the shareholders of our Company.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of Regulation 15A(1) of the FII Regulations, an FII or its Sub-Account may issue, deal or hold, offshore derivative instruments (as defined under the FII Regulations as any instrument, by whatever name called, which is issued overseas by a foreign institutional investor against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. The FII or Sub-Account is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the FII Regulations. Associates and affiliates of the Underwriters, including the BRLMs that are FIIs, may issue offshore derivative instruments against Equity Shares Allotted to them. Any such offshore derivative instrument does not constitute any obligation or claim on or interest in our Company. A certified copy of the SEBI registration certificate must be lodged by the FIIs along with the Bid-cum-Application Form.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid-cum-Application Form, failing this, our Company reserves the right to reject any Bid.

Bids by Eligible QFIs

Eligible QFIs are permitted to invest in the equity shares of Indian companies on a repatriation basis subject to certain terms and conditions. Eligible QFIs have also been permitted to invest in equity shares of Indian companies which are offered to the public in India in accordance with the SEBI ICDR Regulations. The individual and aggregate investment limits for Eligible QFIs in an Indian company are 5% and 10% of the paid up capital of the Indian company, respectively. These limits are in addition to the investment limits prescribed under the portfolio investment scheme for FIIs and NRIs. However, in cases of those sectors which have composite foreign investment caps, Eligible QFI investment limits are required to be considered within such composite foreign investment cap. An Eligible QFI may make investments in the equity shares of an Indian company through both the FDI route and the QFI route. However, the aggregate holding of such Eligible QFI shall not exceed 5% of the paid-up capital of the Indian company at any point of time.

QFIs shall be eligible to Bid under the Non-Institutional Bidders category. Further, SEBI in its circular dated January 13, 2012 has specified, amongst other things, eligible transactions for Eligible QFIs (which includes investment in equity shares in public issues to be listed on recognised stock exchanges and sale of equity shares held by Eligible QFIs in their demat account through SEBI registered brokers), manner of operation of demat accounts by Eligible QFIs, transaction processes and investment restrictions. SEBI has specified that transactions by Eligible QFIs shall be treated at par with those made by Indian non-institutional investors in various respects including, margins, voting rights, public issues, etc.

Eligible QFIs shall open a single non-interest bearing Rupee account with an AD category-I bank in India for routing the payment for transactions relating to purchase of equity shares (including investment in equity shares in public issues) subject to the conditions as may be prescribed by the RBI from time to time.

Eligible QFIs who wish to participate in the Offer are advised to use the Bid-cum-Application Form meant for Non-Residents ([•] in colour). Eligible QFIs shall compulsorily Bid through the ASBA process to participate in the Offer.

Eligible QFIs are not permitted to issue off-shore derivative instruments or participatory notes.

Bids by SEBI-registered Alternative Investment Funds

The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended (“**SEBI AIF Regulations)**, regulate investment by AIFs registered with SEBI. AIFs can invest in accordance with limits and procedure provided under the SEBI AIF Regulations.

Pursuant to the SEBI ICDR Regulations, the shareholding of SEBI-registered VCFs or AIF of category I or FVCIs held in a company prior to making an initial public offering would be exempt from lock-in requirements only if the shares have been held by them for at least one year period from the date of purchase of such equity shares.

Category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A venture capital fund under the category I AIFs, as defined in the SEBI AIF Regulations, can invest only up to 33.33% of the corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996.

Refunds, dividends and other distributions, if any, will be payable in Indian rupees only at the rate of exchange prevailing at the time of remittance and net of bank charges and/or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian rupees will be converted into USD or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE Accounts, details of which should be furnished in the space provided for this purpose in the Bid-cum-Application Form. Our Company or BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid-cum-Application Form.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended (the "**IRDA Investment Regulations**"), are broadly set forth below:

(a) equity shares of a company: the least of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;

(b) the entire group of the investee company: the least of 10% of the respective fund in case of a life insurer or 10% of investment assets in case of a general insurer or reinsurer (25% in case of ULIPS); and

(c) the industry sector in which the investee company operates: 10% of the insurer's total investment exposure to the industry sector (25% in case of ULIPS).

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 Million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid-cum-Application Form.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders, the Directors, the officers of our Company, the BRLms and the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the investment limits or the maximum number of Equity Shares that can be held by them under applicable laws or regulations.

Bids by SCSBs

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other

SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Bids by Eligible Employees

Employee Reservation Portion means the portion of the Issue being 1,00,000 Equity Shares available for allocation to Eligible Employees, on a proportionate basis.

Bids by Eligible Employees under the Employee Reservation Portion shall be subject to the following:

- Only Eligible Employees (as defined in this Draft Red Herring Prospectus) would be eligible to apply in the Issue under the Employee Reservation Portion.
- Our Company, in consultation with the BRLMs, may decide to offer a discount to the Issue Price amounting to ₹ [●] to Eligible Employees.
- The sole/first Bidder shall be an Eligible Employee.
- Bid shall be made only in the prescribed Bid-cum-Application Form (i.e. [•] colour Form).
- Eligible Employees should provide the details of the depository accounts including DP ID, Client ID and PAN in the Bid-cum-Application Form.
- Only those Bids, which are received at or above the Issue Price, would be considered for allocation under the Employee Reservation Portion.
- Eligible Employees who Bid for Equity Shares in the Employee Reservation Portion may Bid at Cut-Off Price.
- The value of Allotment to any Eligible Employee shall not exceed ₹ 200,000.
- The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Payment Amount does not exceed ₹ 200,000.
- An Eligible Employee having Bid under the Employee Reservation Portion can also Bid under the Net Issue portion and such Bids shall not be treated as multiple Bids.
- If the aggregate demand in this category is less than or equal to 1,00,000 Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand.
- If the aggregate demand in this category is greater than 1,00,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of Allotment, please see, "*Basis of Allotment*" under chapter on "*Issue Procedure*" on page 461.
- In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion shall be added to the Net Issue.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment

Fund, provident funds with minimum corpus of ₹ 250 Million and pension funds with a minimum corpus of ₹ 250 Million (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable, must be lodged with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason.

In case of a Bid by way of ASBA pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the Bid-cum-Application Form.

In addition to the above, certain additional documents are required to be submitted by the following entities:

(i) With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid-cum-Application Form.

(ii) With respect to Bids by insurance companies registered with the IRDA, in addition to the above, a certified copy of the certificate of registration issued by the IRDA must be lodged with the Bid-cum-Application Form.

(iii) With respect to Bids made by provident funds with minimum corpus of ₹ 250 Million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 Million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged with the Bid-cum-Application Form.

Maximum and Minimum Bid Size

(a) **For Retail Individual Bidders:** The Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter, so as to ensure that the Payment Amount payable by the Bidder does not exceed ₹ 200,000. Bidders may note that the Bid Amount *i.e.* the Payment Amount will be used to determine whether the Bid exceeds ₹ 200,000 or not. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Payment Amount after such revision does not exceed ₹ 200,000. In case the Payment Amount is over ₹ 200,000 due to revision of the Bid or revision of the Price Band or on exercise of Bidding at Cut-off Price, the Bid would be considered for allocation under the Non-Institutional Portion only if the Bidding was done through ASBA. The Retail Individual Bidder can revise their Bids during the Bidding/Issue Period and withdraw their Bids until finalization of the Basis of Allotment. The Bidding at Cut-off Price is an option given only to the Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion, indicating their agreement to Bid. The Issue Price will be determined at the end of the Book Building Process.

(b) **For Non-Institutional Bidders and QIBs (other than Anchor Investors):** The Bid must be for a minimum of such number of Equity Shares in multiples of [•] such that the Payment Amount exceeds ₹ 200,000. A Bid cannot be submitted for more than the Issue size. However, the Bid by a QIB should not exceed the investment limits prescribed for them by applicable laws. **A QIB and a Non-Institutional Bidder cannot withdraw nor lower the size of their Bids at any stage and is required to block the entire Payment Amount with a SCSB upon submission of the Bid. QIBs (other than Anchor Investors) and Non-Institutional Bidders are mandatorily required to submit their Bid through the ASBA Process.** The identity of QIBs Bidding in the Issue under the QIB Portion shall not be made public during the Bidding/Issue Period.

In case of downward revision in Price Band, the Non-Institutional Bidders, who are individuals, have to ensure that the revised Payment Amount is greater than ₹ 200,000 for being considered for allocation in the Non-Institutional Portion. In case the Payment Amount reduces to ₹ 200,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. **Non-Institutional Bidders and QIBs are not allowed to Bid at Cut-Off Price.**

(c) **For Eligible Employees:** The Bid must be for a minimum of [•] Equity Shares and in multiples thereof, so as to ensure that the Payment Amount by the Eligible Employees does not exceed ₹ 200,000. Bidders in the Employee Reservation Portion may Bid at Cut-Off Price. **Bidders may note that the Bid Amount net of the Employee Discount *i.e.* the Payment Amount will be used to determine whether the Bid exceeds ₹ 200,000 or not.** Eligible Employees Bidding at Cut-Off price have to mention the Payment Amount at the Cap Price, less Employee Discount, at the time of making a Bid. The Issue Price will be determined at the end of the Book Building Process.

(d) **For Bidders in the Anchor Investor Portion:** The Bid by an Anchor Investor must be for a minimum of such number of Equity Shares such that the Bid Amount is equal to or more than ₹ 100 Million. Bids by Anchor Investors under the Anchor Investor Portion and the Net QIB Portion shall not be considered as multiple Bids. Under the Anchor Investor Portion, a Bid cannot be submitted for more than 30% of the QIB Portion. **Anchor Investors cannot withdraw nor lower the size of their Bids at any stage. Anchor Investor shall pay the entire Bid Amount at the time of submission of the Bid. If the Issue Price is greater than the Anchor Investors Issue Price, the additional amount being the difference between the Issue Price and price at which Equity Shares were allocated to Anchor Investors, shall be paid by the Anchor Investor by the Anchor Investor Pay-in-Date. If the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.**

The maximum and minimum Bid size applicable to a QIB, Retail Individual Bidder or a Non-Institutional Bidder shall be applicable to an ASBA Bidder in accordance with the category that such ASBA Bidder falls under.

Bidders are advised to make independent enquiries and ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Draft Red Herring Prospectus.

Information for Bidders:

1. Our Company shall file the Red Herring Prospectus with the RoC at least three Working Days before the Bid/Issue Opening Date.

2. Subject to Section 66 of the Companies Act, our Company shall, after registering the Red Herring Prospectus with the RoC, make a pre-Issue advertisement, in the form prescribed under the SEBI ICDR Regulations, in an English newspaper, a Hindi national daily newspaper and a regional newspaper in Marathi, each with wide circulation. In the pre-Issue advertisement, our Company and the BRLMs shall declare the Bid/Issue Opening Date and the Bid/Issue Closing Date. This advertisement, subject to the provisions of Section 66 of the Companies Act, shall be in the format prescribed in Part A of Schedule XIII of the SEBI ICDR Regulations.

3. Our Company shall announce the Price Band at least five Working Days before the Bid/Issue Opening Date in an English newspaper, a Hindi national daily newspaper and a regional newspaper in Marathi, each with wide circulation. This announcement shall contain relevant financial ratios computed for both upper and lower end of the Price Band and shall be disclosed on the websites of the Stock Exchanges and shall also be pre-filled in the Bid-cum-Application Forms available on the websites of the Stock Exchanges.

4. The Bidding/Issue Period shall be for a minimum of three Working Days. In case the Price Band is revised, the Bidding/Issue Period shall be extended, by an additional three Working Days, subject to the total Bidding/Issue Period not exceeding 10 Working Days. The revised Price Band and Bidding/Issue Period will be widely disseminated by notification to the SCSBs and Stock Exchanges, and by publishing in an English and a Hindi national daily newspaper and a regional newspaper in Marathi, each with wide circulation and also by indicating the change at the terminals of the members of the Syndicate.

5. Our Company shall dispatch the Red Herring Prospectus and other Issue material including Bid-cum-Application Forms, to the Designated Stock Exchange, members of the Syndicate, Bankers to the Issue, investors' associations and SCSBs in advance.

6. Copies of the Bid-cum-Application Form will be available for all categories of Bidders, with the Syndicate/ Sub Syndicate, SCSBs and at our Registered Office. Copies of Bid-cum-Application Forms will be available for downloading and printing, from the websites of the Stock Exchanges, broker terminals at least one day prior to the Issue Opening Date. A unique application number will be generated for every Bid-cum-Application Form downloaded and printed from the websites of the Stock Exchanges. Bid-cum-Application Forms for Eligible Employees will only be available at our Registered Office. For ASBA Bidders, Bid-cum-Application Forms in physical form will be available with the Designated Branches, with the Syndicate/ Sub Syndicate; and Bid-cum-Application Forms will be available on the websites of the SCSBs and the Stock Exchanges at least one day prior to the Issue Opening Date.

7. Eligible Bidders who are interested in subscribing for the Equity Shares should approach any of the BRLMs or Syndicate / sub-Syndicate Members, their authorised agent(s) or the Registered Brokers to upload their Bids. For details regarding mode of Bidding and manner of submission of the Bid-cum-Application Form, please see, "*Issue Procedure- Bid-cum-Application Form*" on pages 462-463 of this DRHP.

8. The Bids should be submitted on the prescribed Bid-cum-Application Form only. Physical Bid-cum-Application Forms should bear the stamp of the Syndicate/ Sub Syndicate, or as may be stamped by SCSBs or Registered Brokers, or otherwise they will be rejected.

9. The SCSBs and Syndicate, at Syndicate ASBA Centres and at the terminals of the Registered Brokers at Registered Broker Centres, will make such copies of Bid-cum-Application Forms available to investors applying under the ASBA process. Additionally, our Company shall ensure that the SCSBs are provided with soft copies of the abridged prospectus and the Bid-cum-Application Forms. The SCSBs shall make such documents available on their websites. The BRLMs shall ensure that certain information, including a soft copy of the abridged prospectus, is provided to the Stock Exchanges at least two days prior to the Bid/Issue Opening Date to enable the Stock Exchanges to include such information in the Bid-cum-Application Forms before it is made available on their websites.

10. Except for Bids submitted on behalf of the Central Government or the State Government or officials appointed by a court and Bidders resident in the state of Sikkim who may be exempt from specifying their PAN for transacting in the securities market, all Bidders should mention their Permanent Account Number (PAN) allotted under the IT Act. In case of Bids submitted on behalf of the Central Government or the State Government or officials appointed by a court, such Bidders shall provide sufficient documentary evidence in support of the fact that such Bids have been submitted on behalf of the Central Government or the State Government or officials appointed by a court. Residents of Sikkim shall provide sufficient documentary evidence in support of their address as provided in the SEBI MRD circular MRD/DOP/Dep/cir-29/2004 dated August 24, 2004. With effect from August 16, 2010, the beneficiary accounts of Bidders for whom PAN details have not been verified have been labelled "suspended for credit" by the Depositories, and no credit of Equity Shares pursuant to the Issue will be

made in the accounts of such Bidders.

11. Please note that, upon submission of the Bid, Non-Institutional Bidders and QIBs are not permitted to withdraw or lower the size of their Bids (both in terms of number of Equity Shares Bid for and Payment Amount) at any stage.

12. In case of Bids where no corresponding record is available with the Depositories, matching with DP ID, Client ID and PAN, then such Bids are liable to be rejected.

13. Only Bids that are uploaded on the online system of the Stock Exchanges shall be considered for allocation/Allotment. The Syndicate/ Sub Syndicate, Registered Brokers and the SCSBs shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Bid data in the electronic Bidding systems of the Stock Exchanges. In order that the data so captured is accurate the Syndicate/ Sub Syndicate, Registered Brokers and the SCSBs will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

14. The Syndicate/ Sub Syndicate, Registered Broker or the SCSB, as the case may be, will, after the Bid has been uploaded, acknowledge the uploading of the Bid-cum-Application Forms or Revision Forms by stamping the date and time and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid-cum-Application Form for the records of the Bidder.

15. Pursuant to SEBI Circular No. CIR/CFD/14/2012 dated October 04, 2012 all investors can submit their Bid-cum-Application Form through the Registered Brokers at the Registered Broker Centres. The details of location of the Registered Broker Centres including name of the Registered Brokers, contact details such as name of the contact person, postal address, telephone number, e-mail address and other related details, where the Bid-cum-Application Forms can be submitted, will be disclosed by the Stock Exchanges on their websites.

16. Bid-cum-Application Forms can be downloaded from the website of the Stock Exchanges or the broker terminals, so that any investor or the Registered Brokers may download and print the Bid-cum-Application Forms directly. Eligible investors may submit the application indicating the mode of payment to any of the Registered Broker at the Registered Broker Centres. All such accepted Bid-cum-Application Forms shall be stamped and thereby acknowledged by the Registered Broker at the time of receipt and will be uploaded on the Stock Exchange platform.

17. Registered Brokers shall be responsible for uploading the Bid on the Stock Exchange platform, banking the cheque or submitting the Bid-cum-Application Form by an ASBA Bidder to SCSB, and are liable for any failure in this regard.

18. In case of Bid-cum-Application Form by non ASBA Bidders, Registered Brokers shall deposit the cheque, prepare electronic schedule and send it to Escrow Collection Banks. All Escrow Collection Banks, which have branches in a Registered Broker Centre, shall ensure that at least one of its branches in the Registered Broker Centre accepts cheques. Registered Brokers shall deposit the cheque in any of the bank branch of the collecting bank in the Registered Broker Centre. Registered Brokers shall also update the electronic schedule (containing application details including the application amount) as downloaded from Stock Exchange platform and send it to local branch of the collecting bank. Registered Brokers shall retain all physical Bid-cum-Application Forms and send it to the Registrar to Issue after six months.

19. In case of Bid-cum-Application Forms submitted by ASBA Bidders, Registered Brokers shall forward

a schedule (containing application number and amount) along with the Bid-cum-Application Forms to the branch where the ASBA Account is maintained of the relevant SCSB for blocking of fund.

20. QIBs (excluding Anchor Investors) and Non-Institutional Bidders can participate in the Issue only through the ASBA process. Retail Individual Bidders and Eligible Employees bidding in the Employee Reservation Portion have the option to bid through the ASBA process or the non ASBA process. ASBA Bidders are required to submit their Bids to the Syndicate/ Sub Syndicate, Registered Broker or to the SCSBs. Bidders other than ASBA Bidders are required to submit their Bids to the Syndicate/ Sub Syndicate or Registered Broker.

21. All Registered Brokers of NSE and BSE (list available at http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm and http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3) which are part of the nationwide broker network of the Stock Exchanges, are enabled to accept application forms. The Registered Broker shall be responsible for uploading the bid on the Stock Exchange platform, banking the cheque / submitting the ASBA form to the SCSBs, etc. and liable for any failure in this regard.

Bidders are advised not to submit the Bid-cum-Application Form to Escrow Collection Banks and the same will be rejected in such cases and the Bidders will not be entitled to any compensation whatsoever.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Additional information specific to ASBA Bidders

1. The SCSBs and Syndicate, at Syndicate ASBA Centres and at the terminals of the Registered Brokers, will make such copies of Bid-cum-Application Forms available to investors applying under the ASBA process. Additionally, our Company shall ensure that the SCSBs are provided with soft copies of the abridged prospectus and the Bid-cum-Application Form. The SCSBs shall make such documents available on their websites. The BRLMs shall ensure that certain information, including a soft copy of the abridged prospectus, is provided to the Stock Exchanges at least two days prior to the Bid/Issue Opening Date to enable the Stock Exchanges to include such information in the Bid-cum-Application Form before it is made available on their websites.

2. Bid-cum-Application Form in physical form will be available with the Designated Branches, with the members of the Syndicate at Syndicate ASBA Centres and at the terminals of the Registered Brokers; and Bid-cum-Application Forms will be available on the websites of the SCSBs and the Stock Exchanges at least one day prior to the Bid/Issue Opening Date. Further, the SCSBs will ensure that the abridged Red Herring Prospectus is made available on their websites. The Bid-cum-Application Forms will also be available at the website of the stock exchanges and at the terminals of the Registered Brokers which can be downloaded and printed directly by the Bidders.

3. ASBA Bidders shall correctly mention the bank account number in the Bid-cum-Application Form and ensure that funds equal to the Payment Amount are available in the bank account maintained with the SCSB. In case the amount available in the bank account specified in the Bid-cum-Application Form is insufficient for blocking the amount equivalent to the Payment Amount, the SCSB shall reject the Bid. In the event a Bid under the Syndicate ASBA process is submitted to a member of the Syndicate or at the terminals of the Registered Brokers and upon sending a request to the relevant SCSB, such SCSB

is not able to block the Payment Amount due to insufficiency of funds, our Company has the right to reject such Bids.

4. SCSBs may provide the electronic mode of Bidding either through an internet enabled Bidding and banking facility or such other secured, electronically enabled mechanism for Bidding and blocking funds in the ASBA Account. Eligible ASBA Bidders may also approach the Designated Branches to register their Bids through the ASBA process.

5. The SCSBs shall accept Bids only during the Bidding/Issue Period and only from the ASBA Bidders. The SCSB shall not accept any Bid-cum-Application Form after the closing time of acceptance of Bids on the Bid/Issue Closing Date.

6. ASBA Bidders should approach the Designated Branches to register their Bids, except for the ASBA Bidders Bidding through Syndicate ASBA process or the Registered Brokers, who should approach the members of the Syndicate in case of Bid by way of Syndicate ASBA process or the Registered Brokers to upload their Bids who shall in turn submit the same to the SCSBs after uploading the Bids and other relevant details of Bid-cum-Application Forms in the bidding platform provided by the Stock Exchanges.

7. The Bid-cum-Application Forms shall bear the stamp of the Designated Branch, the members of the Syndicate (in case of Bids through Syndicate ASBA) or the Registered Brokers, if not, the same shall be rejected.

Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in one English language national daily newspaper, one Hindi language national daily newspaper and a regional newspaper in Marathi, each with wide circulation. In the pre-Issue advertisement, we shall state the Bid/Issue Opening Date, the Bid/Issue Closing Date and the QIB Bid/Issue Closing Date.

Method and Process of Bidding

1. The Price Band for the Issue, Bid lot and the quantum of the Employee Discount will be decided by our Company, in consultation with the BRLMs, and advertised in an English, Hindi national daily newspaper and a regional newspaper in Marathi, each with wide circulation at least five Working Days prior to the Bid/Issue Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price. Such information shall also be disclosed to the Stock Exchanges for dissemination through, and shall be pre-filled in the Bid-cum-Application Forms available on, the Stock Exchanges' websites and Registered Broker terminals. The members of the Syndicate at the Syndicate ASBA centres, the SCSBs and the Registered Brokers shall accept Bids from the Bidders during the Bidding/Issue Period.

2. The Bidding/Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bidding/Issue Period maybe extended, if required, by an additional three Working Days, subject to the total Bidding/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be published in one English language national daily newspaper, one Hindi language national daily newspaper and a regional newspaper in Marathi each with wide circulation and also by indicating the change at the terminals of the members of the Syndicate.

3. During the Bidding/Issue Period, Bidders (other than ASBA Bidders) who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or their authorised agents, in case

of Bid by way of Syndicate ASBA or to the Registered Brokers to upload their Bid. Bids by QIBs and Non-Institutional Bidders shall compulsorily be made by way of ASBA. The members of the Syndicate accepting Bids have the right to vet the Bids during the Bidding/Issue Period in accordance with the terms of the Red Herring Prospectus. ASBA Bidders Bidding through Syndicate ASBA should submit their Bids to the members of the Syndicate at the Syndicate ASBA Centres. ASBA Bidders Bidding through the SCSBs are required to submit their Bids to the Designated Branches of such SCSBs. ASBA Bidders bidding through the Registered Brokers are required to submit their Bids to any Registered Brokers having its office at any of the Broker Centres.

4. Each Bid-cum-Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph entitled "*Bids at Different Price Levels*" below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid-cum-Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Payment Amount, will become automatically invalid.

5. The Bidder cannot Bid on another Bid-cum-Application Form after Bids on one Bid-cum-Application Form have been submitted to the members of the Syndicate in case of Bid by way of Syndicate ASBA, SCSBs or the Registered Brokers, as the case may be. Submission of a second Bid-cum-Application Form to the same or another member of the Syndicate or an SCSB or to the Registered Brokers will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic Bidding system, or at any point of time prior to the approval of the Basis of Allotment. However, a Bidder can revise its Bid through the Revision Form, the procedure for which is detailed under the paragraph entitled "*Build-up of the Book and Revision of Bids*". Provided that the QIB and Non-Institutional Bidder cannot lower the size of their Bids at any stage. Also, the Bids submitted by a QIB in the Anchor Investor Portion and in the Net QIB Portion will not be considered as multiple Bids. Further, Eligible Employees Bidding under the Employee Reservation Portion may also Bid in the Net Issue and such Bids will not be treated as multiple Bids.

6. Except in relation to Bids received from the Anchor Investors, the members of the Syndicate/the SCSBs, as the case may be, will enter each Bid option into the electronic Bidding system as a separate Bid and generate a Transaction Registration Slip ("**TRS**") for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid-cum-Application Form. All accepted applications made at the Broker Centres shall be stamped and thereby acknowledged by the Registered Brokers at the time of receipt, which shall form the basis of any complaint.

7. The BRLMs shall accept Bids from the Anchor Investors during the Anchor Investor Bidding Date *i.e.* one Working Day prior to the Bid/Issue Opening Date. Bids by Anchor Investors under the Anchor Investor Portion and the Net QIB Portion shall not be considered as multiple Bids.

8. Along with the Bid-cum-Application Form, all Bidders (other than ASBA Bidders) will make payment in the manner described in "- *Escrow Mechanism - Terms of payment and payment into the Escrow Accounts*" in the section titled "*Issue Procedure*" beginning on page 461.

9. With regard to Syndicate ASBA, upon receipt of the Bid-cum-Application Form by a member of the Syndicate, the concerned member of the Syndicate shall issue an acknowledgement by giving the counter foil of the Bid-cum-Application Form to the ASBA Bidder as proof of having accepted the Bid. Thereafter, the member of the Syndicate shall upload the details of the Bid in the electronic Bidding system of the Stock Exchanges and forward the Bid-cum-Application Form to the concerned SCSB. The SCSB shall carry out further action for such Bid-cum-Application Forms such as signature

verification and blocking of funds. The SCSBs shall block the application amount only against/in a funded deposit account and ensure that clear demarcated funds are available for ASBA applications. The SCSB shall block an amount equivalent to the Payment Amount mentioned in the Bid-cum-Application Form and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.

10. With regard to ASBA Bidders Bidding through the SCSBs, upon receipt of a Bid-cum-Application Form, submitted whether in physical or electronic mode, the respective Designated Branch shall verify if sufficient funds equal to the Payment Amount are available in the ASBA Account, as mentioned in the Bid-cum-Application Form, prior to uploading such Bids with the Stock Exchanges. If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such Bids and shall not upload such Bids with the Stock Exchanges. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Payment Amount mentioned in the Bid-cum-Application Form and will enter each Bid option into the electronic Bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.

11. With regard to ASBA Bidders Bidding through the Registered Brokers, post acknowledgment of the accepted applications made at the Broker Centres which shall be stamped and thereby acknowledged by the Registered Brokers at the time of receipt, the Registered Brokers shall forward a schedule (containing application number and amount) along with the Bid-cum-Application Form to the branch named for ASBA of the respective SCSBs for blocking of funds.

12. The local branch of the SCSB shall update the schedule based on funds blocked in the account and send it to the controlling branch who in turn shall consolidate the electronic schedule of all branches, reconcile the amount blocked with the bank balance and send the consolidated schedule to the Registrar along with the final certificate.

13. The Payment Amount shall remain blocked in the aforesaid ASBA Account until approval of the Basis of Allotment and consequent transfer of the Payment Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Bid-cum-Application Form, as the case may be, in which case such amount shall not be transferred to the Public Issue Account. Once the Basis of Allotment is approved, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount payable by the successful ASBA Bidders for Equity Shares to be allotted to such ASBA Bidder to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue and such amount shall not be transferred to the Public Issue Account.

14. All Registered Brokers of NSE and BSE (list available at http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm and http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3) which are part of the nationwide broker network of the Stock Exchanges, are enabled to accept application forms. The Registered Broker shall be responsible for uploading the bid on the Stock Exchange platform, banking the cheque / submitting the ASBA form to the SCSBs, etc. and liable for any failure in this regard.

Bids at Different Price Levels

1. In accordance with the SEBI ICDR Regulations, our Company and the Selling Shareholders, in consultation with the BRLMs and without prior intimation to or approval from the Bidders, reserve the right to revise the Price Band during the Bidding/Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the

Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The revised Price Band and the Bidding/Issue Period will be widely disseminated by notification to the Stock Exchanges and the SCSBs and also by indicating the change at the terminals of the members of the Syndicate.

2. Our Company and the Selling Shareholders, in consultation with the BRLMs, will finalise the Issue Price, without the prior approval of or intimation to the Bidders.

3. The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders and Eligible Employees may Bid at the Cut-off Price. However, Bidding at Cut-off Price is not permitted for QIBs and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected. Our Company and the Selling Shareholders in consultation with the BRLMs, shall decide the minimum number of Equity Shares for each Bid to ensure that the application value is within the range of ₹ 10,000 to ₹ 15,000.

4. Our Company and the Selling Shareholders, in consultation with the BRLMs will finalise the Anchor Investor Issue Price in accordance with this section, without the prior approval of, or intimation to the Anchor Investors.

5. Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion who Bid at the Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion, Bidding at Cut-off Price shall deposit the Payment Amount based on the Cap Price in the Escrow Account(s). In case of ASBA Bidders Bidding at the Cut-off Price, the ASBA Bidders will instruct the SCSBs to block an amount based on the Cap Price. In the event the Payment Amount is higher than the subscription amount payable by the Retail Individual Bidders who Bid at the Cut-off Price will receive refunds of the excess amounts in the manner provided in the Draft Red Herring Prospectus.

Escrow mechanism, terms of payment and payment into the Escrow Accounts

For details of the escrow mechanism and payment instructions, please see the section titled "*Issue Procedure-Payment Instructions*" on page 494.

Electronic Registration of Bids

1. The members of the Syndicate and SCSBs will register the Bids using the on-line facilities of the Stock Exchanges. There will be at least one on-line connection in each city where a stock exchange is located in India and where Bids are being accepted. The Registered Brokers shall upload the Bids and update the electronic schedule (containing application details including the application amount) as downloaded from platform of the Stock Exchange and send it to local branch of the collecting bank. The BRLMs, our Company and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the Syndicate or the SCSBs, (ii) the Bids uploaded by the Syndicate or the SCSBs, (iii) the Bids accepted but not uploaded by the Syndicate and the SCSBs, (iv) with respect to ASBA Bids accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts or (v) with respect to Bids accepted and uploaded by the Registered Brokers at the platform of the Stock Exchanges. However the member of the Syndicate, the SCSBs and/or the Registered Brokers shall be responsible for any errors in the Bid details uploaded by them. It shall be presumed that for Bids uploaded by the SCSBs and the Syndicate for the Syndicate ASBA Bidders, the Payment Amount has been blocked in the relevant ASBA Account. Details of Bids in the Anchor Investor Portion will not be registered using the online facilities of the Stock Exchanges.

2. In case of apparent data entry error by either the members of the Syndicate accepting Bids of the Bidders bidding by way of Syndicate ASBA or the Registered Brokers or the collecting bank in entering the Bid-cum-Application Form number in their respective schedules other things remaining unchanged, the Bid-cum-Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to Stock Exchange(s).

3. The Stock Exchanges will offer an electronic facility for registering Bids for the Issue. This facility will be available on the terminals of the members of the Syndicate and their respective sub Syndicate members, the SCSBs and at the terminals of the Registered Brokers during the Bidding/Issue Period. The members of the Syndicate and the Designated Branches can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Book Building Process on a regular basis. On the Bid/Issue Closing Date, the Syndicate and the Designated Branches shall upload the Bids till such time as may be permitted by the Stock Exchanges. This information will be available with the members of the Syndicate on a regular basis. Bidders are cautioned that a high inflow of high volumes on the last day of the Bidding/Issue Period may lead to some Bids received on the last day not being uploaded and such Bids will not be considered for allocation.

4. The Syndicate, the SCSBs and the Registered Brokers will undertake modification of selected fields in the Bid details already uploaded within one Working Day from the Bid/Issue Closing Date to amend some of the data fields (currently DP ID, Client ID) entered by them in the electronic bidding system. Bidders are cautioned that a high inflow of Bids typically experienced on the last Working Day of the Bidding may lead to some Bids received on the last Working Day not being uploaded due to lack of sufficient uploading time, and such Bids that could not uploaded will not be considered for allocation. Bids will only be accepted on Working Days.

5. Based on the aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges, a graphical representation of consolidated demand and price, as available on the websites of the Stock Exchanges, would be made available at the Bidding centres during the Bidding/Issue Period.

6. At the time of registering each Bid, other than ASBA Bids, the members of the Syndicate in case of Bid by way of Syndicate ASBA and the Registered Broker shall enter the following details of the Bidders in the on-line system:

   - Name of the Bidder

     Bidders should ensure that the name given in the Bid-cum-Application Form is exactly the same as the name in which the Depositary Account is held. In case the Bid-cum-Application Form is submitted in joint names, Bidders should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid-cum-Application Form

   - Bid-cum-Application Form number

   - PAN (of the first Bidder, in case of more than one Bidder)

   - Investor Category and sub-category

   - DP ID

   - Client ID

- Number of Equity Shares Bid for
- Price per Equity Share (price option)
- Cheque amount
- Cheque number

With respect to ASBA Bids made by the ASBA Bidder, at the time of registering each Bid, the member of the Syndicate in case of Bids by way of Syndicate ASBA, the Designated Branch or the Registered Brokers, as the case may be, shall enter the following information into the on-line system:

- Name of the Bidder

  Bidders should ensure that the name given in the Bid-cum-Application Form is exactly the same as the name in which the Depositary Account is held.

- Bid-cum-Application Form number
- PAN (of the first Bidder, in case of more than one Bidder)
- Investor category and sub-category
- DP ID
- Client ID
- Number of Equity Shares Bid for
- Price per Equity Share (price option)
- Bid Amount
- Bank account number.
- Bank code for the SCSB where the ASBA Account is maintained
- Location

7. A system generated TRS will be given to the Bidder as a proof of the registration of each of the Bidding options when the Bid is registered. It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate or the Designated Branches. The registration of the Bid by the members of the Syndicate in case of Bid by way of Syndicate ASBA, the Designated Branches or the Registered Brokers does not guarantee that the Equity Shares shall be allocated/Allotted by our Company.

8. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

9. Bids made at the Broker Centres shall be stamped and thereby acknowledged by the Registered Brokers at the time of receipt, which shall form the basis of any complaint for the Bidder.

10. In case of QIBs, other than Anchor Investors, Bidding through the Syndicate ASBA, the BRLMs may

reject Bids for reasons to be recorded in writing provided that such rejection shall be made at the time of acceptance of the Bid and the reasons therefor shall be disclosed to the Bidders. In case of Non-Institutional Bidders, Retail Individual Bidders and Eligible Employees our Company has a right to reject Bids based on technical grounds. The members of the Syndicate may also reject Bids if all the information required is not provided and the Bid-cum-Application Form is incomplete in any respect. The SCSBs shall have no right to reject Bids except on technical grounds.

11. The permission given by the Stock Exchanges to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

12. Only Bids that are uploaded on the online system of the Stock Exchanges shall be considered for allocation/Allotment. The members of the Syndicate in case of Bid by way of Syndicate ASBA and the Registered Brokers shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Bid data in the electronic Bidding systems of the Stock Exchanges. In order that the data so captured is accurate the members of the Syndicate in case of Bid by way of Syndicate ASBA and the Registered Brokers will be given up to one Working Day after the Bid/Issue Closing Date to modify selected fields in the Bid data so uploaded in the online system during the Bidding/Issue Period after which the data will be sent to the Registrar for reconciliation with the data made available by the escrow bankers to the Issue.

13. Details of Bids in the Anchor Investor Portion will not be registered on the on-line facilities of electronic facilities of the Stock Exchanges.

14. The members of the Syndicate located at the Syndicate ASBA Centres and the Registered Brokers shall before accepting the Bid-cum-Application Form satisfy themselves that the SCSBs whose name has been filled in the Bid-cum-Application Forms also have the name of the branch of the SCSBs where such Bid-cum-Application Forms are to submitted.

Build-up of the book and revision of Bids

1. Bids received from various Bidders (except Anchor Investors) through the members of the Syndicate, the SCSBs and the Registered Brokers shall be electronically uploaded to the Stock Exchanges' mainframe on a regular basis.

2. The book gets built up at various price levels. This information will be available with the members of the Syndicate at the end of each day of the Bidding/Issue Period.

3. During the Bidding/Issue Period, Retail Individual Bidder and an Eligible Employee who has registered his or her Bid at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form.

4. Revisions can be made in both the desired number of Equity Shares and the Payment Amount by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid-cum-Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid-cum-Application Form and such Bidder is changing only one of the options in the Revision Form, the Bidder must still fill the details of

the other two options that are not being revised, in the Revision Form. The members of the Syndicate in case of Bids by way of Syndicate ASBA, the Designated Branches or the Registered Brokers will not accept incomplete or inaccurate Revision Forms. However, QIBs and Non-Institutional Bidders cannot lower the size of their Bids at any stage.

5. The Bidder can make this revision any number of times during the Bidding/Issue Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate in case of Bid by way of Syndicate ASBA or the same SCSB or the Registered Brokers through whom such Bidder had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.

6. In case of an upward revision in the Price Band announced as above, Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount *i.e.*, original Payment Amount plus additional payment does not exceed ₹ 200,000 if the Bidder wants to continue to Bid at Cut-off Price), with the members of the Syndicate in case of Bid by way of Syndicate ASBA or the Registered Brokers. In case the total amount (*i.e.*, original Payment Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of this Draft Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.

7. In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion who have Bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding would be refunded from the Refund Account or unblocked, in case of ASBA Bidders.

8. Our Company and the Selling Shareholders, shall, in consultation with the BRLMs, decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000.

9. Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. With respect to the ASBA Bids, if revision of the Bids results in an incremental amount, the SCSBs shall block the additional Payment Amount. In case of Bids, other than ASBA Bids, the members of the Syndicate in case of Bid by way of Syndicate ASBA or the Registered Brokers shall collect the payment in the form of cheque or demand draft if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions. In such cases, the members of the Syndicate in case of Bid by way of Syndicate ASBA or the Registered Brokers will revise the earlier Bid details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the electronic book. The Registrar will reconcile the Bid data and consider the revised Bid data for preparing the Basis of Allotment. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Draft Red Herring Prospectus.

10. When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and may request for a revised TRS from the members of the Syndicate or the SCSB as proof of his or her having revised the previous Bid. However, in accordance with SEBI Notification dated October 12, 2012, a QIB or Non-Institutional Bidder cannot withdraw nor lower the size of their Bids at any stage.

11. If an ASBA Bidder wants to withdraw its Bid during the Bidding/Issue Period, the ASBA Bidder shall

submit the withdrawal request to the SCSB or to the members of the Syndicate, as the case may be, which shall perform the necessary actions, including deletion of details of the withdrawn Bid-cum-Application Form from the electronic bidding system of the Stock Exchanges and unblocking of funds in the relevant bank account. QIBs and Non-Institutional Bidders cannot withdraw Bids at any time of Bidding/Issue Period.

12. If an ASBA Bidder, excluding QIBs and Non-Institutional Bidder, wants to withdraw its Bid after the Bid/Issue Closing Date, such ASBA Bidder shall submit the withdrawal request to the Registrar to the Issue before finalization of basis of Allotment. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file. The instruction for unblocking of funds in the relevant bank account, in such withdrawals, shall be forwarded by the Registrar to the Issue to the SCSB once the basis of Allotment has been approved by the Designated Stock Exchange.

Price Discovery and Allocation

1. After the Bid/Issue Closing Date, the Registrar to the Issue shall aggregate the demand generated under the ASBA process with the Bids received under the non-ASBA process to determine the demand generated at different price levels. Thereafter, the BRLMs shall analyze the demand generated at various price levels and discuss pricing strategy with our Company.

2. Based on the demand generated at various price levels and the book built, our Company, in consultation with the BRLMs, shall finalise the Issue Price and the number of Equity Shares to be allotted to each category of Bidder.

3. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion shall be added to the Net Issue. In the event of under-subscription in the Retail Portion or the Non-Institutional Portion in the Net Issue, the unsubscribed portion would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company, in consultation with the Managers. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spillover from other categories or a combination of categories. In the event of under-subscription in the Net Issue, spill-over to the extent of under-subscription shall be permitted from the Employee Reservation Portion to the Net Issue.

4. Only Bids that are uploaded on the online system of the Stock Exchanges shall be considered for allocation/Allotment. The members of the Syndicate in case of Bid by way of Syndicate ASBA, the SCSBs and the Registered Brokers shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Bid data in the electronic Bidding systems of the Stock Exchanges. In order that the data so captured is accurate the members of the Syndicate and the SCSBs will be given up to one Working Day after the Bid/Issue Closing Date to modify/verify certain selected fields uploaded in the online system during the Bidding/Issue Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

5. In case no corresponding record is available with the Depositories, which matches any of the three parameters, namely, DP ID, Client ID and PAN, then such Bids are liable to be rejected.

6. Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs and FIIs registered with SEBI applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.

7. Allocation to Anchor Investors shall be at the discretion of our Company, in consultation with the BRLMs, subject to compliance with the SEBI ICDR Regulations.

Signing of the Underwriting Agreement and the RoC Filing

Our Company, the BRLMs and the Syndicate Members shall enter into an Underwriting Agreement on or immediately after finalisation of Issue Price. After signing the Underwriting Agreement, our Company will file the Prospectus with the RoC. The Prospectus would have details of the Issue Price, the Anchor Investor Issue Price, if applicable, Issue size and underwriting arrangements and would be complete in all material respects.

Advertisement regarding Issue Price and Prospectus

Our Company will issue an advertisement after the filing of the Prospectus with the RoC. This advertisement, among other things, shall indicate the Issue Price and Anchor Investor Issue Price, in the event Anchor Investors participate in the Issue. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such an advertisement.

Issuance of CAN

1. Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the members of the Syndicate in case of Bid by way of Syndicate ASBA, the controlling branches of the SCSBs and to the Registered Brokers a list of the successful Bidders who are to be Allotted Equity Shares in the Issue. For Anchor Investors, see "*Notice to Anchor Investors: Allotment Reconciliation and Intimation*" below.

2. The Registrar to the Issue will then despatch the CAN to Bidders who have been Allotted Equity Shares in the Issue.

3. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder for all the Equity Shares allotted to such Bidder.

Notice to Anchor Investors: Allotment Reconciliation and Intimation

A physical book will be prepared by the BRLMs on the basis of the Bid-cum-Application Forms received from Anchor Investors. Based on the physical book, our Company in consultation with the BRLMs will decide the price at which allocation is to be made to the Anchor Investors on a discretionary basis. Selected Anchor Investors may be sent an Anchor Investor Allocation Notice indicating the number of Equity Shares that may be allocated to them. This provisional Anchor Investor Allocation Notice and the final allocation is subject to the physical application being valid in all respects along with receipt of stipulated documents, the Issue Price being finalised at a price not higher than the price at which allocation was originally made to the Anchor Investors and Allotment by the Board of Directors. In the event that the Issue Price is higher than the price at which allocation was originally made to the Anchor Investors, a revised Anchor Investor Allocation Notice will be sent to the Anchor Investors. The price of Equity Shares in such revised Anchor Investor Allocation Notice shall be different from that specified in the provisional Anchor Investor Allocation Notice. Anchor Investors should note that they shall be required to pay additional amounts, being the difference between the Issue Price and the price at which allocation was originally made to the Anchor Investors, by the Anchor Investor Pay-in Date. The revised Anchor Investor Allocation Notice, if issued, will supersede in entirety the provisional Anchor Investor Allocation Notice and the CAN issued will supersede in entirety the Anchor Investor Allocation Notice including any revisions thereof.

The Allotment is subject to the physical application being valid in all respect along with receipt of stipulated documents, the Issue Price being finalised and Allotment by the Board of Directors or any committee thereof.

Unblocking of ASBA Account

Once the basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue shall provide the following details to the Controlling Branches of each SCSB, along with instructions to unblock the relevant bank accounts and transfer the requisite money to the Public Issue Account designated for this purpose, within the timelines specified in the ASBA facility: (i) the number of Equity Shares to be Allotted against each valid Bid made by an ASBA Bidder, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each valid Bid made by an ASBA Bidder, (iii) the date by which funds referred to in (ii) above shall be transferred to the Public Issue Account, and (iv) details of rejected Bids made by ASBA Bidders, if any, along with reasons for rejection and details of withdrawn and/or unsuccessful Bids made by ASBA Bidders, if any, to enable SCSBs to unblock the respective bank accounts. On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and shall unblock the excess amount, if any, in the ASBA Account. However, the Payment Amount may be unblocked in the ASBA Account prior to receipt of notification from the Registrar to the Issue by the Controlling Branch of the SCSB in relation to the approval of the basis of Allotment in the Issue by the Designated Stock Exchange in the event of withdrawal or failure of the Issue or rejection of the Bid made by an ASBA Bidder, as the case may be.

Designated Date and Allotment

Our Company will ensure that:

(a) the Allotment and credit to the successful Bidder's depositary account will be completed within 12 Working Days of the Bid/Issue Closing Date.

(b) Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.

(c) Allottees will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them.

GENERAL INSTRUCTIONS

Do's:

1. Check if you are eligible to apply as per the terms of this Draft Red Herring Prospectus and under applicable laws;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid-cum-Application Form in the prescribed form;

4. Ensure that the Bidder's depository account is valid and active;

5. Ensure that the details about the DP ID, Client ID and PAN are correct as Allotment will be in the dematerialised form only;

6. Ensure that the Bids are submitted at the Bidding centres only on Bid-cum-Application Forms bearing the stamp of a member of the Syndicate in case of Bid by way of Syndicate ASBA or the Registered Brokers;

7. Ensure that you have funds equal to the Payment Amount in your bank account before submitting the Bid-cum-Application Form to the Syndicate.

8. Indicate mode of payment while submitting Bid-cum Application Form to the Registered Brokers.

9. Ensure that you have Bid by way of ASBA (for QIBs and Non-Institutional Bidders);

10. Ensure that you request for and receive a TRS for all your Bid options;

11. Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS or acknowledgment;

12. Ensure you receive the copy of acknowledgment with respect to Bids accepted by the Registered Brokers at the platform of the Stock Exchanges;

13. Except for Bids (i) on behalf of the Central or State Government and officials appointed by the courts, and (ii) from the residents of the state of Sikkim, each of the Bidders should provide their PAN. Bid-cum-Application Forms in which the PAN is not provided will be rejected. In case of Bids submitted on behalf of the Central Government or the State Government or officials appointed by a court, such Bidders shall provide sufficient documentary evidence in support of the fact that such Bids have been submitted on behalf of the Central Government or the State Government or officials appointed by a court. Residents of Sikkim shall provide sufficient documentary evidence in support of their address as provided in the SEBI MRD circular MRD/DOP/Dep/cir-29/2004 dated August 24, 2004;

    The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in active status; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same;

14. Ensure that the Demographic Details are updated, true and correct in all respects;

15. Ensure that the names given in the Bid-cum-Application Form is exactly the same as the names available in the depository database. and

16. Ensure that the DP ID, the Client ID and the PAN mentioned in the Bid-cum-Application Form and entered into the electronic Bidding system of the stock exchanges by the members of the Syndicate match with the DP ID, Client ID and PAN available in the Depository database.

17. Ensure that a branch of the Escrow Collection Banks / Designated Branch is available at the location of the Registered Broker Centre where the Bid-cum-Application Form is being submitted

Don’ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid/revise Payment Amount to less than the Floor Price or higher than the Cap Price;

3. Do not Bid on another Bid-cum-Application Form after you have submitted a Bid to the members of the Syndicate;

4. Do not pay the Payment Amount in cash, by money order or by postal order;

5. Do not send Bid-cum-Application Forms by post; instead submit the same to the members of the Syndicate only;

6. Do not Bid *via* any mode other than ASBA (for QIBs and Non-Institutional Bidders);

7. Do not Bid at Cut-off Price (for QIBs and Non-Institutional Bidders);

8. Do not Bid for a Payment Amount exceeding ₹ 200,000 for Bids by Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion;

9. Do not fill up the Bid-cum-Application Form such that the Equity Shares Bid for exceeds the Net Issue size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;

10. Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground;

11. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;

12. Do not submit Bids without payment of the full Payment Amount;

13. Do not submit Bids on plain paper or on incomplete or illegible Bid-cum-Application Forms, or on Bid-cum-Application Forms in a colour prescribed for another category of Bidder;

14. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872.

15. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable laws or your relevant constitutional documents or otherwise.

16. Do not submit a Bid that does not comply with the securities laws of your respective jurisdictions.

17. QIBs and Non-Institutional Bidder shall not lower the size of their Bids at any stage.

ADDITIONAL INSTRUCTIONS SPECIFIC TO ASBA BIDDERS

Do's:

1. Check if you are eligible to Bid under ASBA;

2. Ensure that you use the Bid-cum-Application Form specified for the purposes of ASBA;

3. Before submitting the physical Bid-cum-Application Form with the member of the Syndicate for Bidding through Syndicate ASBA or the Registered Brokers, ensure that the SCSB, whose name has been filled in the Bid-cum-Application Form, has named a branch in that centre;

4. Read all the instructions carefully and complete the Bid-cum-Application Form;

5. For ASBA Bidders Bidding through Syndicate ASBA, ensure that your Bid-cum-Application Form is submitted to the members of the Syndicate at the Syndicate ASBA Centre and not to the Escrow Collection Banks (assuming that such bank is not a SCSB or otherwise), to our Company or the Registrar to the Issue;

6. For ASBA Bidders Bidding through the SCSBs, ensure that your Bid-cum-Application Form is

submitted at a Designated Branch of the SCSB where the ASBA Account is maintained, and not to the Escrow Collection Banks (assuming that such bank is not a SCSB or otherwise), to our Company or the Registrar to the Issue or the members of the Syndicate;

7. Ensure that the Bid-cum-Application Form is signed by the ASBA Account holder in case the ASBA Bidder is not the account holder;

8. Ensure that you have mentioned the correct ASBA Account number in the Bid-cum-Application Form;

9. Ensure that you have funds equal to the Payment Amount in the ASBA Account before submitting the Bid-cum-Application Form at the respective Designated Branch or at the Syndicate ASBA Centre, as the case may be;

10. Ensure that you have correctly ticked, provided or checked the authorisation box in the Bid-cum-Application Form, or have otherwise provided an authorisation to the SCSB *via* the electronic mode, for the Designated Branch to block funds in the ASBA Account equivalent to the Payment Amount mentioned in the Bid-cum-Application Form;

11. Ensure that you receive an acknowledgement from the Designated Branch or the concerned member of the Syndicate, as the case may be, for the submission of the Bid-cum-Application Form;

12. Submit the Revision Form with the same Designated Branch or concerned member of the Syndicate, as the case may be, through whom the Bid-cum-Application Form was placed and obtain a revised acknowledgment;

13. Ensure that the name(s) given in the Bid-cum-Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.

Don'ts:

1. Do not Bid on another Bid-cum-Application Form after you have submitted a Bid to a member of the Syndicate in case of Bid by way of Syndicate ASBA or a Designated Branch or to a Registered Broker, as the case may be;

2. Payment of Payment Amount in any mode other than through blocking of Payment Amount in the ASBA Accounts shall not be accepted under the ASBA;

3. Do not submit the Bid-cum-Application Form with a member of the Syndicate at a location other than the Syndicate ASBA Centres.

4. Do not send your physical Bid-cum-Application Form by post. Instead submit the same with a Designated Branch or a members of the Syndicate in case of Bid by way of Syndicate ASBA or to a Registered Broker, as the case may be; and

5. Do not submit more than five Bid-cum-Application Forms per ASBA Account.

INSTRUCTIONS FOR COMPLETING THE BID-CUM-APPLICATION FORMS

1. Bids and revisions of Bids must be made only in the prescribed Bid-cum-Application Form or Revision Form, as applicable.

2. In case of Retail Individual Bidders (including Eligible NRIs) and Eligible Employees Bidding in the Employee Reservation Portion, Bids and revisions of Bids must be for a minimum of [●] Equity Shares and in multiples of [●] thereafter subject to a maximum Payment Amount of ₹ 200,000. In case the

Payment Amount is more than ₹ 200,000 due to revision of the Bid or revision of the Price Band or on exercise of the option to Bid at the Cut-Off Price, the Bid will be considered for allocation in the Non-Institutional Portion subject to such Bid being received by way of ASBA. The option to Bid at the Cut-Off Price is available only to Retail Bidders and Eligible Employees Bidding in the Employee Reservation Portion indicating their agreement to Bid and purchase at the Issue Price as determined at the end of the Book Building Process.

3. In case of Non-Institutional Bidders and QIBs, for a minimum of such number of Equity Shares in multiples of [●] such that the Bid Amount exceeds ₹ 200,000.

4. Bid-cum-Application Forms or Revision Forms are to be completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in this Draft Red Herring Prospectus and the Bid-cum-Application Form, as the case may be. Incomplete Bid-cum-Application Forms or Revision Forms are liable to be rejected. Bidders should note that the members of the Syndicate in case of Bid by way of Syndicate ASBA and/or the SCSBs and/or the Registered Brokers, as appropriate, will not be liable for errors in data entry due to incomplete or illegible Bid-cum-Application Forms or Revision Forms.

5. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal. Bids must be in single name or in joint names (not more than three, and in the same order as their Depository Participant details).

6. Bidders must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of the Bidder's active DP ID, Client ID and PAN provided in the Bid-cum-Application Form, and as entered into the electronic Bidding system of the Stock Exchanges by the Syndicate, the SCSBs and the Registered Brokers as the case may be, the Registrar to the Issue will obtain from the Depository, the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment.

7. Information provided by the Bidders will be uploaded in the online system by the members of the Syndicate, the SCSBs and the Registered Brokers, as the case may be, and the electronic data will be used to make allocation/Allotment. The Bidders should ensure that the details are correct and legible.

8. Based on the category of the Bidder, the Bid must comply with the maximum and minimum Bid size, as described in "*Maximum and Minimum Bid Size*" on page 473 of this Draft Red Herring Prospectus.

9. For Anchor Investors, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds or is equal to ₹ 100 Million and in multiples of [●] Equity Shares thereafter.

10. Bids through ASBA must be:

    (1) made only in the prescribed Bid-cum-Application Form or Revision Forms (if submitted in physical mode) or the electronic mode.

    (2) made in single name or in joint names (not more than three, and in the same order as their details appear with the Depository Participant).

11. If the ASBA Account holder is different from the ASBA Bidder, the Bid-cum-Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Bid-cum-Application Form.

12. For ASBA Bidders, SCSBs may provide the electronic mode of Bidding either through an internet enabled Bidding and banking facility or such other secured, electronically enabled mechanism for Bidding and blocking funds in the ASBA Account. For details regarding mode of Bidding and manner of submission of the Bid-cum-Application Form, please see, "*Issue Procedure - Bid-cum-Application Forms*" on pages 462-463 of this DRHP.

Bidder's PAN, Depository Account and Bank Account Details

Bidders should note that on the basis of the DP ID, Client ID and PAN provided by them in the Bid-cum-Application Form and entered into the Stock Exchange system by the Bidding Centre, the Registrar to the Issue will obtain from the Depository the Demographic Details of the Bidders. These Demographic Details would be used for giving CAN to the Bidders, refunds (including through physical refund warrants, direct credit, NECS, NEFT and RTGS). Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch/credit of refunds to Bidders at the Bidders sole risk and neither the members of the Syndicate or the Registrar to the Issue or the Bankers to the Issue or the SCSBs nor our Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid-cum-Application Form.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER, BENEFICIARY ACCOUNT NUMBER AND PERMANENT ACCOUNT NUMBER IN THE BID-CUM-APPLICATION FORM. INVESTORS MUST ENSURE THAT THE DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER, BENEFICIARY ACCOUNT NUMBER AND PERNMANENT ACCOUNT NUMBER GIVEN IN THE BID-CUM-APPLICATION FORM IS EXACTLY THE SAME AS THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE DEPOSITORY DATABASE.

Bidders may note that in case the DP ID, BAN and PAN entered into the electronic Bidding system of the stock exchanges by the members of the Syndicate in case of Bid by way of Syndicate ASBA, the SCSBs and the Registered Brokers, as the case may be, do not match with the DP ID, BAN and PAN available in the Depository database, the Bid-cum-Application Form is liable to be rejected and our Company and the members of the Syndicate shall not be liable for losses, if any.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the CAN and printing of bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid-cum-Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to the Issue.

By signing the Bid-cum-Application Form, the Bidder would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund orders/CAN will be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/CAN may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder (other than ASBA Bidders) in the Bid-cum-Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at such Bidders sole risk and neither our Company, Escrow Collection Banks, Refund Banks, Registrar to the Issue nor the members of the Syndicate shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this Red Herring Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such Bids are liable to be rejected.

Bids by Non Residents including Eligible NRIs, Eligible QFIs, FIIs registered with SEBI

Bids and revision to Bids must be made in the following manner:

1. On the Bid-cum-Application Form or Revision Form, as applicable [•] in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.

2. In a single name or joint names (not more than three and in the same order as their Depositary Participant details).

3. Bids on a repatriation basis shall be in the names of individuals, or in the name of FIIs, Eligible QFIs and multilateral and bilateral development financial institutions but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

Bids by Eligible NRIs for a Payment Amount of up to ₹ 200,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Payment Amount of more than ₹ 200,000 would be considered under Non-Institutional Portion for the purposes of allocation.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and will be credited to their NRE accounts registered with the depositories and in case of QFIs, will be payable to a single non interest bearing rupee account opened with AD Category-I bank in India and the same shall be operated by the qualified depository participant of each QFI.

There is no reservation for Eligible NRIs, Eligible QFIs, or Eligible FIIs and all applicants will be treated on the same basis with other categories for the purpose of allocation.

PAYMENT INSTRUCTIONS

Payment mechanism for ASBA Bidders

For ASBA Bids submitted to the Syndicate/ Sub Syndicate at the Syndicate ASBA Centres or to the Registered Brokers at the Registered Broker Centres, the Syndicate/ Sub Syndicate or the Registered Broker, as the case may be, shall upload the ASBA Bid onto the electronic bidding system of the Stock Exchanges and deposit the Bid-cum-Application Form with the relevant branch of the SCSB at the Syndicate ASBA Centres or the Registered Broker Centres, authorized to accept such Bid-cum-Application Forms relating to ASBA Bids from the Syndicate or the Registered Broker (a list of such branches is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries). The relevant branch of the SCSB shall perform verification procedures and block an amount in the ASBA Account equal to the Payment Amount specified in the Bid cum Application Form.

For ASBA Bids submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Payment Amount specified in the Bid cum Application Form, before entering the ASBA Bid into the electronic bidding system. SCSBs may provide the electronic mode of bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the ASBA Account.

ASBA Bidders should ensure that sufficient funds are available in the ASBA Account before submitting the Bid-cum-Application Form to the Syndicate/ Sub Syndicate at the Syndicate ASBA Centres, the respective Designated Branch or the Registered Brokers at the Registered Broker Centres. An ASBA Bid where the corresponding ASBA Account does not have sufficient funds equal to the Payment Amount at the time of blocking the ASBA Account will be rejected.

In the event of withdrawal or rejection of the Bid-cum-Application Form or for unsuccessful Bid-cum-Application Forms, the Registrar to the Issue shall give instructions to the SCSB to unblock the application money in the relevant bank account within 12 Working Days of the Issue Closing Date. The Payment Amount shall remain blocked in the ASBA Account until transfer of the Payment Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the ASBA Bid, as the case may be.

Escrow Mechanism for Retail Individual Bidders other than ASBA Bidders

Our Company and the Syndicate shall open Escrow Account(s) with one or more Escrow Collection Bank(s) in whose favour the Bidders (other than ASBA Bidders) shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Payment Amount from Bidders in a certain category would be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Banks, for and on behalf of the Bidders, shall maintain the monies in the Escrow Account until the Designated Date. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by Allotment of Equity Shares from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the relevant Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the members of the Syndicate, the Bankers to the Issue and the Registrar to the Issue to facilitate collections from the Bidders.

Payment into Escrow Account for Bidders other than ASBA Bidders

Please note that payment into Escrow Account is applicable only to Retail Individual Bidders and Eligible Employees Bidding through Bid-cum-Application Form and Anchor Investors.

Each Bidder other than ASBA Bidder shall draw a cheque or demand draft mechanism for the entire Payment Amount as per the following terms:

1. All Bidders would be required to pay the full Payment Amount at the time of the submission of the Bid-cum-Application Form.

2. The Bidders shall, with the submission of the Bid-cum-Application Form, draw a payment instrument for the Payment Amount in favour of the Escrow Account and submit the same to the members of the Syndicate in case of Bids by way of Syndicate ASBA or to the Registered Brokers. If the payment is not made favouring the Escrow Account along with the Bid-cum-Application Form, the Bid will be rejected. Bid-cum-Application Forms accompanied by cash, money order or postal order will not be accepted.

3. The payment instruments for payment into the Escrow Account should be drawn in favour of:

- In case of resident Retail Individual Bidders: "[●]"
- In case of non-resident Retail Individual Bidders: "[●]"
- In case of Eligible Employees: "[●]".
- In case of Resident Anchor Investors: "[●]"
- In case of Non-Resident Anchor Investor: "[●]"

4. In case of Bids by Eligible NRIs applying on repatriation basis, only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs who intend to make payment through freely convertible foreign exchange and are Bidding on a repatriation basis may make the payments through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident ("**FCNR**") Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary ("**NRO**") Account of Non-Resident Bidder Bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.

5. In case of Bids by Eligible NRIs applying on non-repatriation basis, the payments can be out of a NRO Account.

6. Each Anchor Investor shall provide their Bid Amount only to a BRLM.

7. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Accounts as per the terms of the Escrow Agreement into the Public Issue Account with the Public Issue Account Banks and the refund amount shall be transferred to the Refund Account.

8. No later than 12 Working Days from the Bid/Issue Closing Date, the Registrar to the Issue shall despatch all refund amounts payable to unsuccessful Bidders (other than ASBA Bidders) and also the excess amount paid on Bidding, if any, after adjusting for Allotment to such Bidders.

9. Payments should be made by cheque, or demand draft drawn on any bank (including a cooperative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid-cum-Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts will be rejected. Cash/money orders/postal orders will not be accepted. Please note that cheques without the nine digit MICR code are liable to be rejected.

10. Bidders are advised to provide the number of the Bid-cum-Application Form on the reverse of the cheque or bank draft to avoid misuse of instruments submitted with the Bid-cum-Application Form.

Payment by cash/money order/postal order

Payment through cash/money order/postal order shall not be accepted in the Issue.

Submission of Bid-cum-Application Forms

All Bid-cum-Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate in case of Bids by way of Syndicate ASBA or to the Registered Brokers. With regard to submission of Bid-cum-Application Forms, please see, "*Issue Procedure - Bid-cum-Application Forms*" on pages 462-463 of this DRHP.

All Registered Brokers of NSE and BSE (list available at http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm and http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3) which are part of the nationwide broker network of the Stock Exchanges, are enabled to accept application forms. The Registered Broker shall be responsible for uploading the bid on the Stock Exchange platform, banking the cheque / submitting the ASBA form to the SCSBs, etc. and liable for any failure in this regard.

No separate receipts shall be issued for the money payable on the submission of Bid-cum-Application Form or Revision Form. However, the collection centre of the members of the Syndicate in case of Bids by way of Syndicate ASBA or the Registered Brokers will acknowledge the receipt of the Bid-cum-Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. In case of ASBA Bids, an acknowledgement from the Designated Branch or concerned members of the Syndicate in case of Bids by way of Syndicate ASBA or the Registered Brokers, as the case may be, for submission of the Bid-cum-Application Form may be provided.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid-cum-Application Form or Revision Form. All communications will be addressed to the first Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository. The First Bidder would have deemed to have signed on behalf of joint holders and would give requisite confirmation(s) on behalf of joint Bidders as provided in the Bid cum Application Form. The First Bidder shall be liable for all the obligations arising in relation to the Issue.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. In this regard, all Bids will be checked for common PAN as per Depository records and all such Bids will be treated as multiple Bids and are liable to be rejected.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made. Bids by QIBs under the Anchor Investor Portion and the Net QIB Portion will not be considered as multiple Bids.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple Bids include the following:

1. All Bids will be checked for common PAN as per Depository records. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN will be treated as multiple Bids and are liable to be rejected.

2. For Bids from Mutual Funds and FII sub-accounts, which are submitted under the same PAN, as well as Bids for whom the submission of PAN is not mandatory such as on behalf of the Central or State

government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Bids will be scrutinised for DP ID and Client ID. In case such Bids bear the same DP ID and Client ID, these will be treated as multiple Bids and are liable to be rejected.

Bids made by Eligible Employees both under the Employee Reservation Portion as well as in the Net Issue shall not be treated as multiple Bids.

After submitting an Bid-cum-Application Form either in physical or electronic mode, where such Bid made by an ASBA Bidder is uploaded with the Stock Exchanges, an ASBA Bidder cannot Bid, either in physical or electronic mode, on another Bid-cum-Application Form. Submission of a second Bid-cum-Application Form to either the same or to another Designated Branch of the SCSB or to any member of the Syndicate, will be treated as multiple Bids and will be liable to be rejected either before entering the Bid into the electronic Bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in the Issue. More than one ASBA Bidder may Bid for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Bid-cum-Application Form from an ASBA Bidder with respect to a single ASBA Account. However, an ASBA Bidder may revise the Bid through the Revision Form. For further details in connection with the procedure for revision of Bids, please see "*Build-up of the book and revision of Bids*" in section titled "*Issue Procedure*" on page 461.

Our Company, in consultation with the BRLMs, reserve the right to reject, in their absolute discretion, all multiple Bids or all except one multiple Bids in any or all categories.

Permanent Account Number or PAN

Except for Bids by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of a Bid in joint names, each of the Bidders, should mention his/her PAN allotted under the I.T. Act. In accordance with the SEBI ICDR Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. **Any Bid-cum-Application Form without the PAN is liable to be rejected. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground**.

However, the exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Bids, the Registrar will check under the Depository records for the appropriate description under the PAN field i.e. either Sikkim category or exempt category.

With effect from August 16, 2010, the beneficiary accounts of Bidders for whom PAN details have not been verified have been labelled "suspended for credit" by the Depositories and no credit of Equity Shares pursuant to the Issue will be made in the accounts of such Bidders.

Withdrawal of ASBA Bids

QIBs and Non-Institutional Bidders cannot withdraw their ASBA Bids at any stage.

Retail Individual Bidders and Eligible Employees can withdraw their Bids before the finalisation of the Allotment. If the Retail Individual Bidder or Eligible Employees bidding through ASBA wishes to withdraw the Bid after the Bid/Issue Closing Date, the same can be done by submitting a withdrawal request to the Registrar to the Issue prior to the finalization of Allotment. The Registrar to the Issue shall delete the withdrawn Bid from the allotment file and give instruction to the SCSB for unblocking the ASBA Account after approval of the 'Basis of Allotment'.

REJECTION OF BIDS

Our Company has a right to reject Bids based on technical grounds. In case of QIBs, other than Anchor Investors, Bidding through Syndicate ASBA, the BRLMs may reject Bids for reasons to be recorded in writing provided that such rejection shall be made at the time of acceptance of the bid and the reasons therefor shall be disclosed to the Bidders. In case of Non-Institutional Bidders, Retail Individual Bidders and Eligible Employees, our Company has a right to reject Bids based on technical grounds only. Consequent refunds shall be made through any of the modes described in the Red Herring Prospectus and will be sent to the Bidder's address, where applicable, at the sole/first Bidder's risk. In relation to all ASBA Bidders, SCSBs shall have no right to reject Bids, except on technical grounds or in the event that if at the time of blocking the Payment Amount in the ASBA Account, the SCSB ascertains that sufficient funds are not available in the Bidder's ASBA Account. Further, in case any DP ID, Client ID or PAN mentioned in the Bid-cum-Application Form and as entered into the electronic Bidding system of the Stock Exchanges by the members of the Syndicate in case of Bids by way of Syndicate ASBA, the SCSBs and the Registered Brokers, as the case may be, does not match with one available in the Depository's database, such Bid made by an ASBA Bidder shall be rejected by the Registrar to the Issue. Subsequent to the acceptance of a Bid by way of ASBA by the SCSB, our Company would have a right to reject such Bids by way of ASBA only on technical grounds.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected on technical grounds including:

- Bid submitted without payment of the entire Payment Amount or if the amount paid does not tally with the Payment Amount;
- Bids submitted by Retail Individual Bidders through the non-ASBA process, wherein the Payment Amount exceeds ₹ 200,000 upon revision of Bids;
- Bids submitted by Retail Individual Bidders and Eligible Employees which does not contain details of the Payment Amount in the Bid-cum-Application Form;
- Application submitted on a plain paper;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply. However a limited liability partnership firm can apply in its own name;
- Bids by minors identified based on the Demographic Details provided by the Depositories;
- PAN not mentioned in the Bid-cum-Application Form, except for Bids by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim provided such claims have been verified by the Depository Participants, DP ID and Client ID not mentioned in the Bid-cum-Application Form;
- GIR number furnished instead of PAN;
- Bids by Bidders whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010
- Bids by OCBs;
- Bids for lower number of Equity Shares than specified for that category of investors;

- Bids at a price less than the Floor Price;
- Bids at a price more than the Cap Price;
- Bids at Cut-off Price by Non-Institutional Bidders and QIBs;
- Bids with Payment Amount for a value of more than ₹ 200,000 by Bidders falling under the category of Retail Individual Bidders and Eligible Employees;
- Bids by QIBs and Non-Institutional Bidders not submitted through ASBA;
- Bids by persons who are not Eligible Employees and have submitted their Bids under the Employee Reservation Portion;
- Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
- Bids for number of Equity Shares which are not in multiples of [•];
- Multiple Bids as referred to in this Red Herring Prospectus;
- Bids accompanied by money order/postal order/cash;
- Bid-cum-Application Forms not delivered by the Bidders within the time prescribed as per the Bid-cum-Application Forms, Bid/Issue Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid-cum-Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, DP ID, Client ID and PAN;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations and applicable law;
- Bids where clear funds are not available in Escrow Accounts as per final certificates from Escrow Collection Banks;
- Authorisation for blocking funds in the ASBA Account not ticked or provided;
- With respect to ASBA Bids, the ASBA Account not having credit balance to meet the application money or no confirmation is received from the SCSB for blocking of funds;
- Submission of more than five Bid-cum-Application Forms per ASBA account;
- Bids by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;
- Bids by any person outside India if not in compliance with applicable foreign and Indian laws;
- Bids by persons in the United States;
- Bids not uploaded on the terminals of the Stock Exchanges;

- Bids by QIBs uploaded after 4.00 p.m. on the Bid/Issue Closing Date applicable to QIBs, Bids by Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion uploaded after 5.00 p.m. or till such extended time period, if any on the Bid/Issue Closing Date, and Bids by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/Issue Closing Date; and

- ASBA Bids by SCSBs through ASBA Account maintained with itself.

FOR BID-CUM-APPLICATION FORMS FROM NON-ASBA BIDDERS, THE BASIS OF ALLOTMENT WILL BE BASED ON THE REGISTRAR'S VALIDATION OF THE ELECTRONIC BID DETAILS WITH THE DEPOSITORY RECORDS, AND THE COMPLETE RECONCILIATION OF THE FINAL CERTIFICATES RECEIVED FROM THE ESCROW COLLECTION BANKS WITH THE ELECTRONIC BID DETAILS IN TERMS OF THE SEBI CIRCULAR CIR/CFD/DIL/3/2010 DATED APRIL 22, 2010. THE REGISTRAR TO THE ISSUE WILL UNDERTAKE TECHNICAL REJECTIONS BASED ON THE ELECTRONIC BID DETAILS AND THE DEPOSITORY DATABASE. IN CASE OF ANY DISCREPANCY BETWEEN THE ELECTRONIC BID DATA AND THE DEPOSITORY RECORDS, THE ISSUER RESERVES THE RIGHT TO PROCEED AS PER THE DEPOSITORY RECORDS OR TREAT SUCH BID AS REJECTED.

IN TERMS OF THE SEBI CIRCULAR CIR/CFD/DIL/3/2010 DATED APRIL 22, 2010, FOR BID-CUM-APPLICATION FORM, THE REGISTRAR TO THE ISSUE WILL RECONCILE THE COMPILED DATA RECEIVED FROM THE STOCK EXCHANGES AND ALL SCSBS, AND IN TERMS OF THE SEBI CIRCULAR CIR/CFD/14/2012 DATED OCTOBER 4, 2012, FOR BID-CUM-APPLICATION FORMS, THE REGISTRAR TO THE ISSUE WILL RECONCILE THE SCHEDULES RECEIVED FROM ALL SCSBS WITH THE STOCK EXCHANGE DATA, AND MATCH THE SAME WITH THE DEPOSITORY DATABASE FOR CORRECTNESS OF DP ID, CLIENT ID AND PAN. IN CASES WHERE ANY DP ID, CLIENT ID AND PAN MENTIONED IN THE BID FILE FOR AN ASBA BIDDER DOES NOT MATCH THE ONE AVAILABLE IN THE DEPOSITORY DATABASE THE ISSUER RESERVES THE RIGHT TO PROCEED AS PER THE DEPOSITORY RECORDS ON SUCH ASBA BIDS OR TREAT SUCH ASBA BIDS AS REJECTED. THE REGISTRAR TO THE ISSUE WILL REJECT MULTIPLE ASBA BIDS BASED ON COMMON PAN.

IN CASE THE DP ID, CLIENT ID AND PAN MENTIONED IN THE BID-CUM-APPLICATION FORM AND ENTERED INTO THE ELECTRONIC BIDDING SYSTEM OF THE STOCK EXCHANGES BY THE SYNDICATE/THE SCSBs/THE REGISTERED BROKERS DO NOT MATCH WITH THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE RECORDS WITH THE DEPOSITORIES THE BID-CUM-APPLICATION FORM IS LIABLE TO BE REJECTED AND OUR COMPANY AND THE MEMBERS OF THE SYNDICATE SHALL NOT BE LIABLE FOR LOSSES, IF ANY.

FURTHER, BIDS BY PERSONS PROHBITED FROM BUYING, SELLING OR DEALING IN THE EQUITY SHARES DIRECTLY OR INDIRECTLY BY SEBI OR ANY OTHER REGULATORY AUTHORITY WILL BE REJECTED.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

The Allotment shall be only in a de-materialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among our Company with the respective Depositories as follows:

- Agreement dated October 9, 2006 among NSDL, our Company and System Support Services.

- Agreement dated [●] among CDSL, our Company and [●].

All Bidders can seek Allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

(a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

(b) The Bidder must necessarily fill in the details (including the DP ID, Client ID and PAN) appearing in the Bid-cum-Application Form or Revision Form.

(c) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.

(d) Names in the Bid-cum-Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

(e) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid-cum-Application Form or Revision Form, it is liable to be rejected.

(f) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid-cum-Application Form vis-à-vis those with his or her Depository Participant.

(g) Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where the Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL

(h) The trading of the Equity Shares would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

(i) Non transferable advice or refund orders will be directly sent to the Bidders by the Registrar.

Communications

All future communications in connection with Bids made in the Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or first Bidder, Bid-cum-Application Form number, Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, date of Bid-cum-Application Form, name and address of the members of the Syndicate in case of Bids by way of Syndicate ASBA, the Designated Branch or the Registered Brokers where the Bid was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA Bids, ASBA Account number in which the amount equivalent to the Payment Amount was blocked.

Bidders can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post Issue related problems such as non-receipt of CAN, credit of Allotted Equity Shares in the respective beneficiary accounts, refund orders etc. In case of ASBA Bids submitted to (i) the Designated Branches of the SCSBs, the Bidders can contact the relevant Designated Branch; or (ii) the members of the Syndicate, the Bidders can contact the concerned member of the Syndicate and the relevant SCSB giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application; in both cases with a copy to the Registrar to the Issue.

All grievances relating to the ASBA process may be addressed either to (i) the concerned member of the Syndicate and the relevant SCSB, in the event of a Bid submitted by an ASBA Bidder at the Syndicate ASBA Bidding Cemtres, or the Registered Broker Centres (ii) the Designated Branch of the SCSB where the Bid cum Application Form was submitted by the ASBA Bidder, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application, in the event of a Bid submitted directly with a Designated Branch by an ASBA Bidder; in both cases with a copy to the Registrar to the Issue.

PAYMENT OF REFUND

Within 12 Working Days of the Bid/Issue Closing Date, the Registrar to the Issue will dispatch the refund orders for all amounts payable to unsuccessful Bidders (other than ASBA Bidders) and also any excess amount paid on Bidding, after adjusting for allocation/Allotment to Bidders

In the case of Bidders other than ASBA Bidders, the Registrar to the Issue will obtain from the Depositories the Bidders' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Bidders in their Bid-cum-Application Forms. Accordingly, Bidders are advised to immediately update their details as appearing on the records of their Depository Participants. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay will be at the Bidders' sole risk and neither our Company, the Registrar to the Issue, the Escrow Collection Banks, Refund Banks or the members of the Syndicate, will be liable to compensate the Bidders for any losses caused to them due to any such delay, or liable to pay any interest for such delay.

Mode of making refunds for Bidders other than ASBA Bidders

The payment of refund, if any, for Bidders other than ASBA Bidders would be done through any of the following modes:

1. NECS – Payment of refund would be done through NECS for Bidders having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR/IFSC code from the Depositories.

2. Direct Credit – Bidders having bank accounts with the Refund Bank(s), as per Demographic Details received from the Depositories, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company.

3. RTGS – Bidders having a bank account at any of the centres where such facility has been made available and whose refund amount exceeds ₹ 0.20 Million, have the option to receive refund through RTGS provided the Demographic Details downloaded from the Depositories contain the nine digit MICR code of the Bidder‘s bank which can be mapped with the RBI data to obtain the corresponding IFSC. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

4. NEFT – Payment of refund shall be undertaken through NEFT wherever the Bidders' bank has been assigned the IFSC Code, which can be linked to an MICR, if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat

account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage, hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.

5. For all other Bidders, including those who have not updated their bank particulars with the MICR code, the refund orders will be despatched through speed post/registered post. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Refund Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Mode of making refunds for ASBA Bidders

In case of ASBA Bidders, the Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Payment Amount specified in the Bid-cum-Application Form for withdrawn, rejected or unsuccessful or to the extent of amount not payable in case of partially successful ASBA Bids within 12 Working Days of the Bid/Issue Closing Date.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

With respect to Bidders other than ASBA Bidders, our Company shall ensure dispatch of CAN, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give credit of Equity Shares to the beneficiary account with Depository Participants within 12 Working Days of the Bid/Issue Closing Date. With respect to the ASBA Bidders, our Company shall ensure dispatch of CANs and/or unblocking of funds in the ASBA Account within 12 Working Days from the Bid Closing Date.

In case of applicants who receive refunds through NECS, direct credit or RTGS or NEFT, the refund instructions will be given to the clearing system within 12 Working Days from the Bid/Issue Closing Date. A suitable communication shall be sent to the Bidders receiving refunds through this mode within 12 Working Days of the Bid/Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for commencement of trading at all the Stock Exchanges where the Equity Shares are listed are taken within 12 Working Days from the Bid/Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI ICDR Regulations, our Company further undertakes that:

- Allotment shall be made only in dematerialised form within 12 Working Days of the Bid/Issue Closing Date; and

- With respect to Bidders other than ASBA Bidders, dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 12 Working Days of the Bid/Issue Closing Date would be ensured. With respect to the ASBA Bidders, instructions for unblocking of the ASBA Bidder's ASBA Account shall be made within 12 Working Days from the Bid/Issue Closing Date.

- The Company shall pay interest at 15% per annum for any delay beyond the 15 days or 12 Working Days from the Bid/Issue Closing Date, whichever is later, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within the 12 Working Days prescribed above. If such money is not repaid within eight days from the day the Company becomes liable to repay, the Company and every Director of the Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to repay the money with interest as prescribed under the applicable law.

Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or CAN by registered post/speed post. With regard to refunds, bank charges, if any, for en-cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

"*Any person who:*

(a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or

(b) otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,

***shall be punishable with imprisonment for a term which may extend to five years.*"**

BASIS OF ALLOTMENT

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

- The Net Issue size less Allotment to Non-Institutional Bidders and QIBs shall be available for Allotment to Retail Individual Bidders who have Bid at a price that is equal to or greater than the Issue Price, subject to not less than 35% of the Net Issue being available for Allotment to Retail Individual Bidders.

- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

- If the aggregate demand in this category is more than [●] Equity Shares, the allotment of Equity Shares to each Retail Individual Bidder shall not be less than minimum bid lot, subject to availability of Equity Shares in Retail Investor category, and the remaining available Equity Shares, if any, shall be allotted on proportionate basis. For the method of proportionate Basis of Allotment, refer below.

- Bidders may note that the Bid Amount *i.e.* the Payment Amount will be used to determine whether the Bid exceeds ₹ 200,000 or not.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.

- The Net Issue size less Allotment to QIBs and Retail Individual Bidders shall be available for Allotment to Non-Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price, subject to not less than 15% of the Net Issue being available for Allotment to Non-Institutional Bidders.

- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

- In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares. For the method of proportionate Basis of Allotment refer below.

C. For QIBs in the Net QIB Portion

- Bids received from the QIBs Bidding in the QIB Portion at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all the QIBs will be made at the Issue Price.

- The QIB Portion shall be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price.

- Allotment shall be undertaken in the following manner:

  (a) In the first instance allocation to Mutual Funds for up to 5% of the Net QIB Portion shall be determined as follows:

    (i) In the event that Bids by Mutual Fund exceeds 5% of the Net QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the Net QIB Portion.

    (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price;

    (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds shall be available for Allotment to all QIBs as set out in (b) below;

  (b) In the second instance Allotment to all QIBs shall be determined as follows:

    - In the event of oversubscription in the Net QIB Portion, all QIBs who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the Net QIB Portion;

    - Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs;

  - Under-subscription below 5% of the Net QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIBs on a proportionate basis.

- The aggregate Allotment to QIBs Bidding in the Net QIB Portion may be up to [●] Equity Shares.

D. For Employee Reservation Portion

- The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the value of Allotment to any Eligible Employee shall not exceed ₹ 200,000.

- The allotment in the Employee Reservation Portion will be on a proportionate basis. Bidders under the Employee Reservation Portion may Bid at Cut-Off Price.

- Bids received from the Eligible Employees at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Eligible Employees will be made at the Issue Price.

- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand. The maximum Bid under Employees Reservation Portion by an Eligible Employee cannot exceed ₹ 200,000.

- If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of [●] Equity Shares. For the method of proportionate Basis of Allotment, refer below.

- Only Eligible Employees are eligible to apply under the Employee Reservation Portion.

- Our Company, in consultation with the BRLMs, may decide to offer a discount to the Issue Price amounting to ₹ [●] to Eligible Employees. Bidders may note that the Bid Amount net of the Employee Discount, *i.e.* the Payment Amount, will be used to determine whether the Bid exceeds ₹ 200,000 or not.

E. For Anchor Investors

- Allocation of Equity Shares to Anchor Investors, if any, at the Anchor Investor Allocation Price will be at the discretion of our Company, in consultation with the BRLMs, subject to compliance with the following requirements:

  (a) not more than 30% of the QIB Portion will be allocated to Anchor Investors;

  (b) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors;

  (c) Allocation to the Anchor Investors shall be on a discretionary basis and subject to the following:

i. Maximum of two such Bidders shall be permitted for allocation up to ₹ 100 Million;
ii. Minimum of two and maximum of 15 such Bidders shall be permitted for allocation above ₹

100 Million and up to ₹ 2500 Million, subject to minimum allotment of ₹ 50 Million per such Bidder;

iii. Minimum of five and maximum of 25 such investors shall be permitted for allocation above ₹ 2,500 Million, subject to minimum allotment of ₹ 50 Million per such Bidder.

- The number of Equity Shares Allotted to Anchor Investors, if any, and the Anchor Investor Allocation Price shall be made available in the public domain by the BRLMs before the Bid/Issue Opening Date by intimating the same to the Stock Exchanges.

Method of Proportionate Basis of Allotment

In the event of the Issue being over-subscribed, our Company shall finalise the Basis of Allotment in consultation with the Designated Stock Exchange. The executive director or the managing director of the Designated Stock Exchange along with the BRLMs and the Registrar to the Issue shall be responsible for ensuring that the Basis of Allotment is finalised in a fair and proper manner in accordance with the SEBI ICDR Regulations.

The allocation shall be made in marketable lots, on a proportionate basis as explained below:

a) Bidders will be categorised according to the number of Equity Shares applied for.

b) The total number of Equity Shares to be allotted to each category except Retail Individual Bidder and Anchor Investor as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

c) The number of Equity Shares to be allotted to the successful Bidders except Retail Individual Bidders and Anchor Investors will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio. The allotment of Equity Shares to each Retail Individual Bidder shall not be less than minimum bid lot, subject to availability of Equity Shares in Retail Investor category, and the remaining available Equity Shares, if any, shall be allotted on proportionate basis.

d) In all Bids where the proportionate Allotment is less than [•] Equity Shares per Bidder, the Allotment shall be made as follows:

  - The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and

  - Each successful Bidder shall be allotted a minimum of [•] Equity Shares.

e) If the proportionate Allotment to a Bidder is a number that is more than [•] but is not a multiple of one (which is the marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it would be rounded off to the lower whole number. Allotment to all in such categories would be arrived at after such rounding off.

f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

g) Subject to valid Bids being received, allocation of Equity Shares to Anchor Investors shall be at the sole discretion of our Company, in consultation with the BRLMs.]

Please note that Allotment to each Retail Individual Bidder shall not be less than the minimum Bid lot, subject to availability of Equity Shares in the Retail Portion. The remaining available Equity Shares, if any, in Retail Portion shall be Allotted on a proportionate basis to Retail Individual Bidder in the manner prescribed below.

Illustration of Allotment to QIBs and Mutual Funds (“MF”)

A. Issue Details

Particulars	Issue details
Issue size	202 Million equity shares
Employee Reservation Portion	2 Million equity shares
Net Issue size	200 Million equity shares
Allocation to QIB (50% of the Net Issue)	100 Million equity shares
Of which:	
a. Reservation For Mutual Funds, (5%)	5 Million equity shares
b. Balance for all QIBs including Mutual Funds	95 Million equity shares
Number of QIB applicants	10
Number of Equity Shares applied for	500 Million equity shares

B. Details of QIB Bids

Sr. No.	Type of QIBs*	No. of shares bid for (in Million)
1.	A1	50
2.	A2	20
3.	A3	130
4.	A4	50
5.	A5	50
6.	MF1	40
7.	MF2	40
8.	MF3	80
9.	MF4	20
10.	MF5	20

Sr. No.	Type of QIBs*	No. of shares bid for (in Million)
11.	**Total**	**500**

* *A1-A5: (QIBs other than Mutual Funds), MF1-MF5 (QIBs which are Mutual Funds) Details of Allotment to QIBs Applicants*

C. Details of Allotment to QIBs/Applicants

Type of QIB	Shares bid for	Allocation of 5% Equity Shares	Allocation of 95% Equity Shares	Aggregate allocation to Mutual Funds
(I)	**(II)**	**(III)**	**(IV)**	**(V)**
	(Number of equity shares in Million)			
A1	50	0	9.60	0
A2	20	0	3.84	0
A3	130	0	24.95	0
A4	50	0	9.60	0
A5	50	0	9.60	0
MF1	40	1	7.48	8.48
MF2	40	1	7.48	8.48
MF3	80	2	14.97	16.97
MF4	20	0.5	3.74	4.24
MF5	20	0.5	3.74	4.24
	500	**5**	**95**	**42.42**

Please note:

1. The illustration presumes compliance with the requirements specified in this Red Herring Prospectus in the section titled "*Issue Structure*" beginning on page 457.

2. Out of 100 Million Equity Shares allocated to QIBs, 5 Million (i.e., 5%) will be Allotted on a proportionate basis among five Mutual Fund applicants who applied for 200 Million Equity Shares in the QIB Portion.

3. The balance 95 Million Equity Shares i.e., 100 -5 (available for Mutual Funds only) will be Allotted on a proportionate basis among 10 QIBs who applied for 500 Million Equity Shares (including 5 Mutual Fund applicants who applied for 200 Million Equity Shares).

4. The figures in the fourth column entitled "*Allocation of balance 95 Million Equity Shares to QIBs proportionately*" in the above illustration are arrived at as explained below:

    - For QIBs other than Mutual Funds (A1 to A5) = Number of Equity Shares Bid for × 95/495

- For Mutual Funds (MF1 to MF5) = (No. of shares bid for (i.e., in column II of the table above) less Equity Shares Allotted (i.e., column III of the table above) × 95/495

- The numerator and denominator for arriving at the allocation of 95 Million Equity Shares to the 10 QIBs are reduced by 5 Million shares, which have already been Allotted to Mutual Funds in the manner specified in column III of the table above.

Illustration Explaining Procedure of Allotment to Retail Individual Bidders *(Investors should note that this example is solely for illustrative purposes and is not specific to the Issue)*

A.

1. Total no. of specified securities on offer at ₹ 600 per equity share: 10 Million specified securities.
2. Specified securities on offer for retail individual investors' category: 3.5 Million specified securities.
3. The issue is over-subscribed 2.5 times whereas the retail individual investors' category is oversubscribed 4 times.
4. Issuer decides to fix the minimum application / bid size as 20 specified securities (falling within the range of ₹ 10,000 - 15,000). Application can be made for a minimum of 20 specified securities and in multiples thereof.
5. Assume that a total of 100,000 retail individual investors have applied in the issue, in varying number of bid lots i.e. between 1 - 16 bid lots, based on the maximum application size of up to ₹ 200,000.
6. Out of the 100,000 investors, there are five retail individual investors A, B, C, D and E who have applied as follows: A has applied for 320 specified securities. B has applied for 220 specified securities. C has applied for 120 specified securities. D has applied for 60 specified securities and E has applied for 20 specified securities.
7. As per allotment procedure, the allotment to retail individual investors shall not be less than the minimum bid lot, subject to availability of shares, and the remaining available shares, if any, shall be allotted on a proportionate basis.

The actual entitlement shall be as follows:			
Sr. No.	**Name of Investor**	**Total Number of specified securities applied for**	**Total number of specified securities eligible to be allotted**
1	A	320	20 specified securities (i.e. the minimum bid lot) + 38 specified securities [{35,00,000 - (1,00,000 * 20)} / {140,00,000 - (1,00,000 *20)}] * 300 (i.e. 320-20)
2	B	220	20 specified securities (i.e. the minimum bid lot) + 25 specified securities [{35,00,000 - (1,00,000 * 20) / {140,00,000 - (1,00,000 * 20)}] * 200 (i.e. 220-20)
3	C	120	20 specified securities (i.e. the minimum bid lot) + 13 specified securities [{35,00,000 - (1,00,000 * 20)} / {(140,00,000 - (1,00,000 * 20)}] * 100 (i.e. 120-20)

4	D	60	20 specified securities (i.e. the minimum bid lot) + 5 specified securities [{(35,00,000 - 1,00,000 * 20)} / {(140,00,000 - (1,00,000 * 20)}] * 40 (i.e. 60-20)
5	E	20	20 specified securities (i.e. the minimum bid lot)

B.

1. Total no. of specified securities on offer at ₹ 600 per share: 10 Million specified securities.
2. Specified securities on offer for retail individual investors' category: 3.5 Million specified securities.
3. The issue is over-subscribed 7 times whereas the retail individual investors' category is over-subscribed 9.37 times.
4. Issuer decides to fix the minimum application / bid size as 20 specified securities (falling within the range of ₹ 10,000 - 15,000). Application can be made for a minimum of 20 specified securities and in multiples thereof.
5. Assume that a total of 200,000 retail individual investors have applied in the issue, in varying number of bid lots i.e. between 1 - 16 bid lots, based on the maximum application size of up to ₹ 200,000, as per the table shown below.
6. As per allotment procedure, the allotment to retail individual investors shall not be less than the minimum bid lot, subject to availability of shares.
7. Since the total number of shares on offer to retail individual investors is 3,500,000 and the minimum bid lot is 20 shares, the maximum no. of investors who can be allotted this minimum bid lot will be 175,000. In other words, 175,000 retail applicants will get the minimum bid lot and the remaining 25,000 retail applicants will not get allotment.

The details of allotment shall be as follows:				
No. of Lots	**No. of Shares at each lot**	**No. of retail Investors applying at each lot**	**Total No. of Shares applied for at each lot**	**No. of investors who shall receive minimum bid-lot (to be selected on lottery)**
A	**B**	**C**	**D=(B*C)**	**E**
1	20	10,000	200,000	8,750 =(1,75,000/2,00,000)* 10,000
2	40	10,000	400,000	8,750
3	60	10,000	600,000	8,750
4	80	10,000	800,000	8,750
5	100	20,000	2,000,000	17,500
6	120	20,000	2,400,000	17,500
7	140	15,000	2,100,000	13,125
8	160	20,000	3,200,000	17,500
9	180	10,000	1,800,000	8,750
10	200	15,000	3,000,000	13,125

11	220	10,000	2,200,000	8,750
12	240	10,000	2,400,000	8,750
13	260	10,000	2,600,000	8,750
14	280	5,000	1,400,000	4,375
15	300	15,000	4,500,000	13,125
16	320	10,000	3,200,000	8,750
Total	**200,000**	**328,00,000**	**175,000**	

Refund Orders or instructions to the SCSBs

The Registrar to the Issue shall give instructions for credit to the beneficiary account with depository participants within 12 Working Days of the Bid/Issue Closing Date. Applicants residing at the centres where clearing houses are managed by the RBI, will get refunds through NECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit and RTGS and NEFT. Our Company shall ensure dispatch of refund orders through registered post or speed post at the sole or first Bidder's sole risk within 12 Working Days of the Bid/Issue Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within 12 Working Days of the Bid/Issue Closing Date. In case of ASBA Bidders, the Registrar to the Issue shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent unsuccessful for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 12 Working Days of the Bid/Issue Closing Date.

UNDERTAKINGS BY OUR COMPANY AND SELLING SHAREHOLDERS

Our Company and the Selling Shareholders undertakes the following:

- That the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;

- That all steps for completion of the necessary formalities for commencement of trading at all the Stock Exchanges where the Equity Shares are listed shall be undertaken within the timelines specified by law;

- That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;

- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 12 Working Days of the Bid/Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- That other than as disclosed in this Draft Red Herring Prospectus, no further issue of Equity Shares shall be made till final trading approvals from all the Stock Exchanges have been obtained for the Equity Shares offered through the Red Herring Prospectus;

- That adequate arrangements shall be made to collect all Bid-cum-Application Forms in relation to ASBA and to consider them similar to non-ASBA applications while finalising the Basis of Allotment;

- The certificates of the securities or refund orders to the NRIs shall be dispatched within specified time; and

- That we shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought, has been received.

Utilisation of Issue proceeds

Our Company declares that:

1. All monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;

2. Details of all monies utilised out of Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the issue proceeds remains unutilised, under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilised;

3. Details of all unutilised monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested; and

4. The utilisation of monies received from Employee Reservation Portion shall be disclosed, and continue to be disclosed until the time any part of the Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

5. The details of all unutilised monies out of the funds received from Employee Reservation Portion shall be disclosed under a separate head in the balance sheet of the issuer indicating the form in which such unutilised monies have been invested.

6. Our Company shall not have recourse to the proceeds of the Issue until the final listing and trading approvals from all the Stock Exchanges have been obtained.

Withdrawal of the Issue

Our Company and the Selling Shareholders, in consultation with the BRLMs, reserves the right not to proceed with the Issue at any time after the Bid/Issue Opening Date but before the Allotment. In such event, our Company shall issue a public notice in an English language national daily newspaper, a Hindi language national daily newspaper, and a Marathi language daily newspaper, each with wide circulation, in which the pre-Issue advertisements were published, which shall include reasons for such withdrawal, within two days of closure of the Issue. Our Company shall also inform the same to the Stock Exchanges on which the Equity Shares are proposed to be listed and the BRLMs, through the Registrar to the Issue, shall notify the SCSBs to unblock the ASBA Accounts.

Further, in the event of a withdrawal of the Issue, if our Company subsequently determines that it will proceed with an initial public offering of its Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the final approval of the RoC, after the Prospectus is filed with the RoC.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the industrial policy of Government of India, or the Industrial Policy and FEMA. While the Industrial Policy prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made.

Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Foreign Investment Promotion Board of Government of India (FIPB) and the RBI.

RBI, *vide* its circular A.P (DIR Series) Circular No. 53 dated December 17, 2003, permitted FIIs to subscribe to shares of an Indian Company in the public issue without prior approval of RBI, so long as the price of Equity Shares to be issued is not less than the price at which the Equity Shares are issued to residents.

Investment by Non-Resident Indians

A variety of special facilities for making investments in India in shares of Indian Companies are available to individuals of Indian nationality or origin residing outside India ("NRIs"). These facilities permit NRIs to make portfolio investments in shares and other securities of Indian companies on a basis not generally available to other foreign investors. Under the portfolio investment scheme, NRIs are permitted to purchase and sell Equity Shares of our Company through a registered broker on the Stock Exchanges. NRIs collectively should not own more than 10% of the post-issue paid up capital of our Company. No single NRI may own more than 5% of the post- issue paid up capital of our Company. NRI investment in foreign exchange is now fully repatriable whereas investments made in Indian Rupees through rupee accounts remains non repatriable.

Investment by Foreign Institutional Investors

Foreign Institutional Investors ("FIIs") including institutions such as pension funds, investment trusts, asset management companies, nominee companies and incorporated, institutional portfolio managers can invest in all the securities traded on the primary and secondary markets in India. FIIs are required to obtain an initial registration from the SEBI and a general permission from the RBI to engage in transactions regulated under FEMA. FIIs must also comply with the provisions of the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended from time to time. The initial registration and the RBI's general permission together enable the registered FII to buy (subject to the ownership restrictions discussed below) and sell freely securities issued by Indian companies, to realise capital gains or investments made through the initial amount invested in India, to subscribe or renounce rights issues for shares, to appoint a domestic custodian for custody of investments held and to repatriate the capital, capital gains, dividends, income received by way of interest and any compensation received towards sale or renunciation of rights issues of shares.

Ownership restrictions of FIIs

Under the portfolio investment scheme, the overall issue of Equity Shares to FIIs on a repatriation basis should not exceed 24% of post-issue paid-up capital of our Company. However, the limit of 24% can be raised up to the permitted sectoral cap for that Company after approval of the Board of Directors and shareholders of our Company. The issue of Equity Shares to a single FII should not exceed 10% of the post-issue paid-up capital of our Company. In respect of an FII investing in Equity Shares of a Company on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total issued capital of that Company.

Registration of Equity Shares under US Laws

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, 'U.S. persons' (as defined in Regulation S of the U.S. Securities Act, 1933), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold only outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.

The above information is given for the benefit of the Bidders and neither our Company nor the BRLM are liable for any changes in the regulations after the date of the Draft Red Herring Prospectus.

SECTION X- DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY

Pursuant to Schedule II of the Companies Act and the SEBI Regulations, the main provisions of our Articles relating to, *inter alia*, voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in our Articles and capitalized/defined terms herein have the same meaning given to them in our Articles.

THE COMPANIES ACT, 1956
COMPANY LIMITED BY SHARE
ARTICLES OF ASSOCIATION
OF
ADVANCED ENZYME TECHNOLOGIES LIMITED

1. Unless the context otherwise requires, words or expression contained in these Articles shall bear the same meaning as in the Act or any statutory modification thereof.

   The marginal notes hereto shall not affect the construction hereof and in these present unless there be something in the subject or context inconsistent therewith.

   The Company means ADVANCED ENZYME TECHNOLOGIES LTD. The Company means the Companies Act, 1956 and includes any -re-enactment or statutory modification thereof for the time being in force.

   'Directors' means the Directors for the time being of the Company.

   'The Board' means the Board of Directors for the time being of the Company.

   'The Managing Director' means the Managing Director for the time being of the Company appointed.

   'Office' means the Registrar Office for the time being of the Company.

   'Register' means the Register of members to be kept pursuant to Section 150 of the Act.

   'Seal' means the common seal for the time being of the Company.

   'Month' means calendars month.

   'Dividend' includes Bonus.

   'Person' includes body corporate, firm, association of firm and society registered under the Societies Registration Act.

   'Proxy' includes Attorney duly constituted under a power of attorney.

‘In writing and ‘Written’ include printing, lithography and any other modes of representing or reproducing words in a visible form.

‘Debenture’ includes debenture stocks.

‘Special Resolution’ and ‘Ordinary Resolution’ have the same meaning assigned thereto by section 189 of the Act.

These ‘Presents’ means the Memorandum of Association and these Articles of Association of the Company for the time being in force.

Words importing the singular number shall include the plural number and vice versa.

‘Articles’ means these Articles of Association or as altered and modified from time to time according to law.

2. The regulations contained in table ‘A’ in the first Schedule to the companies Acts, 1956 shall not apply to the Company, except in so far as they are embodied in the following Articles which shall be the regulations for the management of the Company.

3. Save as permitted by Section 77 of the Act, the funds of the Company shall not be employed in the purchase of, or lent or the security of shares of the Company and the Company shall not be give directly or indirectly and financial assistance whether by way of loan, guarantee, the provision of security or otherwise any financial assistance for the purpose of or in connection with any purchase of or subscription for any shares in the Company its holding Company.

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4. Copies of Memorandum and Articles of Association of the Company shall be furnished to every shareholder of the Company at his request on payment of ₹ 10/- (Ten).

PART – A

SHARES

5. The Authorized Share Capital of the Company shall be such amount and be divided into such shares as may from time to time be provided under clause No. V of the Memorandum of Association of the Company. The company has the power from time to time increase or reduce its capital. Any of the said shares and any new shares hereafter to be created may from time to time to be divided into shares of several classes in such manner as may be provided hereinafter. The shares of each class may have such preferred or other special rights and privileges and such shares may be issued under such restrictions and conditions whether in regards to dividend, voting, return of capital or otherwise as shall have been assigned thereto by or under provisions or the Articles of Association but so that the special rights or privileges belonging to holder of any shares issued with preferred or other rights shall not be varied or abrogated or affected except with such sanction as is provided for hereinafter.

6. (a) Subject to the provisions of section 80 of the Companies Act, the Company may issue Preference Shares which are or at the option of the Company are liable to be redeemed on such terms and in such manner, as the Board may determine.

(b) The said Preference Shares will confer upon the holder thereof the right to a fixed cumulative preferential dividend at such rate as the Directors may decide at the time to issue on the Capital for the time being paid up thereon and the right in a winding, up to payment of Capital and arrears of dividend in priority to the Equity Shares, but shall not confer any further right to participate in the profits or assets.

7. Subject to the provision of these Articles, the shares shall be under the control of the Board who may allot or otherwise dispose of the same to such persons on such time either at par or at a premium and for such consideration as the Board thinks fit. Provided that, where at any time it is proposed to increase the subscribed capital of the Company by the allotment of further shares, then subject to the provisions of Section 81 (IA) of the Act, the Board shall issue such shares in the manner set out in Section 81(I) of the Act. Provided that option or right to call of shares shall not be given to any to person or persons without the sanction of the Company in general meeting.

8. The Directors allot and issue shares in the capital of the Company as partly or fully paid in consideration of any property sold or goods transferred or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted, may be issued as fully or partly paid up shares.

9. The shares in the Capital shall be numbered progressively according to their several denominations.

10. As regards all allotments made from time to time the Company shall duly Company with Section 75 of the Act.

11. If the company shall offer any of its shares to the public for subscription.

    1. No allotment thereof shall of made, unless the amount stated in the prospect as the minimum subscription has been subscribed and the sum payable on application thereof has been paid to and received by the Company,.

    2. The amount payable on application on each share shall not be less than 5 per cent of the nominal amount of the share; and

    3. The Company shall comply with the provisions of sub-section (4) of Section 69 of the Act.

12. The Company may exercise the power of paying commission conferred by Section 76 of the Act provided that the rate per cent or the amount of the commission shall not exceed 5 per cent of the price at which any shares in respect whereof the same is paid, are issued or 2 ½ per cent of the price at which any debentures are issued (as the case may be). Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also on any issue of shares or debentures pay such brokerage as may be lawful.

13. With the previous authority of the Company in general meeting and the sanction of the Court and upon otherwise complying with Section 79 of the Act, the Board may issue at discount shares of a class already issued.

14. If, by the conditions of issue of any shares, the whole or part of the amount or issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company, by the person, who for the time being shall be the registered holder of the shares or by his executor or administrator.

15. The joint-holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such share.

16. Save as herein otherwise provided, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not except as ordered by a court of competent jurisdiction, or as by statue required, by bound to recognize any equitable or other claim to or interest in such share in the part of any other person.

17. Share may be registered in the name of any person. Company or other body corporate. Not more than four persons shall be registered as joint-holders of any share.

INCREASE AND REDUCTION OF CAPITAL

18. The Company in general meeting may, from time to time, by ordinary resolution increase the share capital by the creation of new shares by such sum, may be divided into shares of such amount, as may be deemed expedient.

19. Subject to any special rights to privileges for the time being attached to any shares in the Capital of the Company then issued, the new shares may be issued upon such terms and conditions and with such preferential, qualified or such rights and privileges or conditions thereto as the general meeting resolving upon the creation thereof, shall direct, and if no direction be given, the Board shall determine and in particular such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company.

19A. Before the issue of any new shares, the Company in general meeting, may make provisions as to the allotment and issue of the new shares and in particular may determine to whom the shares be offered in the first instance and whether at par or premium or subject to provisions of Section 79 of the Act at a discount. In default of any such provision or so far the same shall not extend, the new shares may be dealt with in conformity with the provisions of these Articles.

20. Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered part of the existing capital of the Company and shall be subject to the provisions herein contained with reference to the payment of dividends, calls and installments transfer and transmission, forfeiture, lien, surrender and otherwise.

21. If owing to any inequality in the number of new shares to be issued, and the number of shares held by members entitled to have the offer of such new shares, any difficulty arising in the allotment of such new shares, or any of them amongst the members such difficulty shall, in the absence of any direction in the resolution creating the shares for by the Company in general meeting, be determined by the Board.

22. The Company, may from time to time by special resolution, reduces in any manner and with, and subject to, any incident Capital authorized and consent required by law.

(a) its shares capital

(b) Any capital redemption reserve account or

(c) Any share premium account.

ALTERATION OF SHARE CAPITAL

23. The Company by according resolution may from time to time

a) Consolidate and divide all or any of its share capital in shares of larger amount than its existing shares.

b) Sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division the proportion between the amount paid and the amount if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived.

c) Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

24. Where any share capital it sub-divided, the Company in general meeting subject to the provisions of Sections, 85, 87, 88 and 106 of the Act, may determine that, as between the holders of the shares resulting from such sub-division, one or more of such shares shall have some preferential or special rights as regards dividend, payment of Capital, voting or otherwise.

25. Subject to the provisions of Section 100 to 105 (inclusive) of the Act, the Board may accept from any member surrender, on such terms and conditions as shall be agreed, all or any of his shares.

VARIATION OF SHARE - HOLDER'S RIGHTS

26. If any time the share capital is dividend in different classes of shares all or any of the rights and privileges attached to any class (unless otherwise prohibited by the terms of issue of the shares of that class) may, subject to the provisions of Section 106 and 107 of the Act whether or not the Company being wound up be modified, commuted, affected, abrogated, varied or dealth with by the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of the special resolution passed at the separate meeting of the holders of the issued shares of that class. To every such separate meeting the provisions of these regulations relating to general meeting shall mutatis mutandis apply but so that the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued share of the class in question. This Article is not by implication to curtail the power of modification which the Company would have if this Article was omitted. The Company shall comply with the provisions of Section 192 of the Act as to forwarding a copy of such agreement or resolution to the Registrar of Companies.

SHARE CERTIFICATE

27. The certificate of title to shares, shall be issued within three months after allotment (of within such other period as the conditions of the issue shall provide).

28. 1) Every person whose name is entered as member in Register shall be entitled to receive within three months aster allotment, one certificate for all the shares registered in his name or if the Directors so approve to several certificates each or for one or more of such Shares.

2) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid up thereon.

3) In respect of any shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate to the first person named in the Register shall be sufficient delivery to all such holders.

29. The Certificate of shares registered in the names of two more persons shall be delivered to the person first named in the Register. No fee shall be charged for issue of new Certificate in lots of trading unit.

30. If any certificate be old, decrepit, worn out, torn or defaced or where the cages on its reverse side for recording transfers have been fully utilised, then upon surrender thereof to the Company, their Board shall order the same to be cancelled and issue a new certificate in lieu thereof without any payment. If any certificate be lost or destroyed the upon proof of such loss or destruction of the same to the satisfaction of the Board and on such indemnity and the payment of out-of-pocket expenses incurred by the Company in investigating evidence, as the Board thinks fit a new certificate in lieu thereof shall be given to the person entitled to such lost or destroyed certificate on a fee of two rupees for each certificate or such smaller fee as the Board may determine.

CALLS

31. The Board may, from time to time subject to the terms on which any shares may have been issued, and subject to the provisions of Section 91 of the Act, make such calls as the Board thinks fir upon the members in respect of all moneys unpaid on the shares held by them respectively, and not by the conditions of allotment thereof made payable at fixed times, and each member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Board. Provided given to any person except with the sanction of the Company in general meeting. A call may be made payable by installment and shall be deemed to have been made at the time when the resolution of the Board authorizing such call was passed at the meeting of the Board.

32. No call shall exceed one-fourth of the nominal amount of a share and the made payable at less than one month from the payment of the last proceeding call. Not less than fourteen day's notice of any call shall be given fourteen day's notices of any call shall be given specifying the time and place of payment and the person or persons to whom such call shall be paid. Provided and that, before the time or payment of such call, the Directors may, by the in writing to the members, revoke the same of extend the time for payment thereof.

33. If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed times whether on account of the nominal amount of the share or by way of premium every such amount or installment shall be payable as if it were a call duly made by the board and of which due noticed has been given, and all the provisions herein contained in respect of calls, forfeiture or otherwise shall relate to such amount or installment accordingly.

34. If the sum payable in respect of any call installment be not paid on or before the day appointed for payment, the holder for the time being of the shares in respect of which the call shall have been made, or the installment shall be due, shall pay interest for the same at the rate or 12 per annum from the day appointed for the payment thereof to the time of the actual payment or at such other rates as the Directors may determine. The Directors may in their absolute discretion waive the payment of interest, wholly or in part, in the case of any person liable to pay such call or installment.

35. Subject to the provision of the lay out Evidence and procedure, on the trial or hearing of any action or suit brought by the Company against any shareholder or his representatives to recover any debt or money claimed to be due to Company in respect of his shares it shall be sufficient to prove that the name of the defendant is or was, when the claim arose on the Register of the Company as a holder or one of the holder, of the number of shares in respect of which such claim is made, and the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Directors who made any call nor that a quorum of Directors was present at the Board at which any call was made, was duly convened or constituted, nor any other matter whatsoever, but the proof the matters aforesaid shall be conclusive evidence of the debt.

36. The Board may, if it thinks fit, receive from member willing to advance the same, and either the money or money's worth, all or any part of money due upon the shares held by him beyond the sums actually called for and upon the money so paid or satisfied in advance or so much thereof as from time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate as determined by the Board from time to time. Unless the Company in General Meeting shall otherwise direct, the Directors may, at any time, repay the amount so advanced upon giving to such member one month's notice in writing. The member shall not, however, be entitled to any voting rights or to participate in the profits of the Company or dividend in respect of the money so paid by him until the same would but for such payment become presently payable.

37. No member shall be entitled to exercise any voting rights either personally or by proxy at any meeting of the Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, and has exercised any right of lien.

38. A call may be revoked or postponed at the discretion of the Board.

39. The Directors may, from time to time, at their discretion extend the time fixed for the payment of any call and may extend such time as to all or any of the members who on account of residence at a distance or some other cause may be deemed fairly entitled to such extension but no member shall, as a matter of right be entitled to such extension (save as a matter of grace and favor).

40. Every member, his executors or administrators shall pay to the Company the proportion of the Capital represented by his share or shares which may, for the time being, remain unpaid thereon in such amount at such time or times and in such manner as the Directors shall, from time to time in accordance with the Company's regulations, require or fix for the payment thereof.

FORFEITURE OF SHARES

41. If a member fails to any sum payable in respect of any call or any installment of a call on or before the day appointed for payment thereof, the Board may at any time thereafter during such time as any part of the said call or installment remains unpaid serve a notice on such member requiring payment of so much of the call or installment as is unpaid together with any interest which may have accrued and all expenses they may have been incurred by the Company by reason of such nonpayment.

42. The notice aforesaid shall name a further day, not being earlier than the expiry of fourteen days from the date of service of notice, on or before which the payment required by the notice, is to

be made and a place at which such call or installment and such interest and expenses as aforesaid are to be paid. The notice shall state in the event of non-payment on or before the date so named, the shares in respect of which such call or installment was payable shall be liable to be forfeited.

43. If the requirements of any such notice as are not complied with any, shares in respect of which such notice has been given may at any time thereafter, before the payment of calls installments, interest and expenses due in respect has been made, be forfeited by a resolution of the Board of that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

44. When any share shall have been so forfeited, notice of the forfeiture shall be given to the members whose name it stood immediately prior to the forfeiture and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of members but no forfeiture shall forthwith be made in the Register of members but no forfeiture shall in any manner be invalidated by any commission or failure to give such notice or to make such entry as aforesaid.

45. Any share so forfeited shall be deemed to be property of the Company, and may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the Board thinks fit.

46. The Board may at any time before any shares so forfeited shall have been sold, re-allotted or otherwise disposed of, annual the forfeiture thereof upon such conditions as it thinks fit.

47. i) A person whose shares have been forfeited shall cease to be a member in respect of forfeited shares but shall notwithstanding forfeiture remain liable to pay and shall forthwith pay to the Company all calls, installments, interest and expenses owing upon or in respect of such shares at the time of forfeiture until payment thereof without any deduction or allowance for the value of the shares at the time of forfeiture.

ii) The forfeiture of a shares shall involve the extinction of all interest in and also of all claims and demand against the Company in respect of the shares and all other rights incidental to the shares except any such of those rights as by these Articles are expressly saves.

48. Subject to the provisions of the law of Evidence and Procedure, a duly verified declaration in writing that the declaring is a Director of the Company, and the certain shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration and the receipt of the Company for the consideration, if any, given for the shares on the sale or disposition thereof shall constitute a good title to such shares, and the person to whom the shares are sold shall be registered as the holder of such shares and the purchaser shall not be bound to see to the application of the purchase money nor shall his title to such shares be effected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition.

49. The provisions of these regulation as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue a share become payable at a fixed time whether on account of the nominal value of the share or by way premium, as if the same has been payable by virtue of call duly made and notified.

50. When any shares under the powers on that behalf being contained are sold by the Directors and the certificate thereof has not been delivered to that Company by the former holder of the said shares, the Directors may issue a new certificate for such shares distinguishing it in such manner as they may think fit from the certificate not so delivered.

51. Neither the receipt by the Company of a portion of any money which shall, from time to time, be due from any member to the Company in respect of his share, either byway of principal or interest, not any indulgence granted by the Company in respect of the payment of any such money shall preclude the Directors from thereafter proceeding to enforce a forfeiture of such share a provided in these regulations, for non-payment of the whole or any balance due in respect of the shares.

52. The Company shall have a first and paramount lien upon all the shares (other fully paid-up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares and no equitable interest in any share shall be created except upon the footing and conditions that Articles 16 hereof will have full effect. And such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares. Unless otherwise agreed registration of a transfer of share shall operate as a waiver of the Company's lien if any on such shares. The Directors may at any time declare any shares wholly or in part to the exempt from the provisions of this clause.

53. For the purpose of enforcing such lien the Board may sell the shares subject thereto in such manner as it think fit, but no sale shall be made unless a sum in respect of which the lien exists is presently payable and until notice in writing of the intension to sell shall have been served on such member, his executor or administrator, committee, curator bonus or other legal representative as the case may be, and default shall have been made by him or them in payment of the sun payable as aforesaid in respect of such shares for fourteen days after the date of such notice.

54. The net proceeds of any such sale shall be received by the Company and after payment of the cost of such the amount in respect of which the lien exists as is presently payable and the residue, if any shall subject to like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the share at the date of the sale.

55. Upon any sale after forfeiture or surrender or for enforcing a lien in purported exercise of the powers hereinbefore conferred, the Board may appoint some person to execute an instrument of transfer the share sold and cause the purchaser's name to be entered in the Register in respect of share sold, and the purchaser shall not be bound to see to the regularity of the proceedings, not to the application of the purchase money, and after this name has been entered into the Register in respect of such share the validity of the sale shall not be impeached by any person on any ground whatsoever, and the remedy of any person aggrieved by such sale shall be in damages only the and against the Company exclusively.

56. Where any share has been sold by the Board pursuant to these Articles and the certificates in respect thereof has not been delivered to the Company by the former holder of such shares the Board may issue a new certificate for such share, distinguishing it in such manner as it may think fit from the certificates not so delivered wherein any such case the certificate in respect of the share forfeited and/or sold is not delivered and new certificate for share for such share has been issued the original certificate shall be treated as cancelled and no claim or title based on such certificate shall be binding on the Company.

TRANSFER AND TRANSMISSION

57. Save as provided in section 108 of the Act, no transfer of share shall be registered unless as proper instrument duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation of the transferee has been delivered to the Company along with the certificate relating to the shares, or if no such certificate is in existence along with the letter or allotment of the shares, in accordance with the provisions of Section 108 of the Act. The transferor shall be deemed to remain a member in respect of such share until the name of the transferee is entered in the Register in respect thereof. Each signature to such transfer shall be duly attested by the signature of one credible witness who shall add his address.

Provided that, whereon an application in writing made to the Company by the transferee, and bearing the stamp required for an instrument to transfer, it is proved to the satisfaction of the Board that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms ad to indemnity as the Board may think fit.

58. Application for the registration of the transfer of a share may be made either by the transferee or the transferor, no registration shall, in the case of the partly paid share, be affected unless the Company gives notice of the application to the transferee in the manner prescribed by Section 110 of the Act and subject to the provisions of these Articles, the Company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice, enter in the Register the name of transferee in the same manner and subject to the same conditions as if the application for registration of the transfer was made by the transferee.

59. The Board, without assigning any reason for such refusal, may subject to right of appeal conferred by Section 111, decline to register a) The transfer of a share not being a fully paid shares, to a person as whom it does not approve or

b) Any transfer of shares on which the Company has a lien;

Provided that registration of transfer shall not be refused on the ground of transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on the shares. If the Directors decline to register any transfer, they shall give notice of such refusal to the transferee and the transferor as required by Section 111 of the Act.

60. Every instrument of shares shall be in the form prescribed under Act or as near thereto as the circumstances may admit and shall be in accordance with the provision of Section 108 of the Act, from time to time.

61. No fee may be charged for be charged registration of transfer and transmission.

62. No fee may be charged for be charged registration of transfer and transmission

a) For splitting up, sub-division and consolidation of shares and debenture certificates and for, splitting up and sub-division of Letters of Allotment and splitting, consolidation, renewal into denomination corresponding to the market units of trading as per Rules of Stock Exchange concerned.

b) For sub-division of renunciation letter of rights.

c) For issue of new certificates in replacement of those which are old, descript or worn out or where the cages on the reverse for recording transfer have been fully utilized.

d) For registration of any power of Attorney, obate of will, Letters of Administration on similar other documents.

Provided that in case of splitting up and/or sub-division of shares other than the market unite of trading as determined or as per prevailing Rules of Stock Exchange concerned a fee of ₹ 2/- (two) per share certificate may be Charged.

63. Every instrument of transfer shall be left at the office of the Company for registration accompanied by the certificate of the shares to be transferred or if there is no certificate, the letter of Allotment thereto and such other evidence as the Board may require to prove the title of the transferor or his right to transfer the share. The Board may waive the production of any certificate upon evidence to them of its having been lost of destruction. Every instrument of transfer which shall be retained by the Company, but any instrument of transfer which the Board may refuse to register shall be returned to the person depositing the same.

64. Subject to the Provision of Section 154 of the Act, the registration of transfers may be suspended at such times and for such periods as the Board mat from time to time determine.

Provided that, such registration shall not be suspended for more than thirty days at any one time or for more than forty five days in the aggregate in any year.

65. If the Board refuse, whether in pursuance of the Article 59 or otherwise, to register the transfer of, or the transmission by operation of law of the right to any share, the Company shall, within one month from the date on which the instrument of transfer or the intimation of such transmission as the case may be, notice of such refusal.

66. The executors of administrators of a deceased member (not being of several joint-holders) shall be the only persons recognized by the Company as having any title to the shares registered in the name of such member and in case of the death of any one or more of the joint-holders of any registered shares, the survivors shall be the only persons recognized by the Company is having any title to or interest in such shares, but nothing here in contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person. Before recognizing any executor or administrator, Board may require him to obtain a Grant if Probate or Letters of Administration or other legal representation as the case may be from some competent court. Probate or letters of Administration or such other legal representation upon such terms as to indemnity or otherwise as the Board in its absolute discretion may consider necessary.

67. Any committee or guardian of a lunatic or infant member or any person becoming entitled to transfer share in consequence of the death or bankrupt, insolvent of any member upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or of the title as the Board thinks sufficient may with consent of the Board (which it shall not be under any obligation to give) be registered as a member in respect of such shares or may subject to the regulations as to transfer hereinbefore contained, transfer such shares. This article is hereinafter referred to as 'The Transmission Article'.

68. Any Director may retain the dividend payable upon shares to which any person becomes entitled under Article 67 until such person or his transferee shall become a member in respect of shares.

69. a) If the person becoming entitled to a share under Article 67 shall elect to be registered as a member in respect of the share himself. he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

b) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing, an instrument of transfer of shares.

c) All the limitation, restriction and provisions of these Articles relating to the right to transfer and the registration of transfer as aforesaid as if the death, insanity bankruptcy or insolvency of the member had not accrued and the notice of transfer were a transfer signed by that member.

70. A person so becoming entitled under the transmission Articles to a share by reason of the death, lunacy, bankruptcy or insolvency of a member shall, subject to the provisions of Article 106 or Section 206 of the Act, be entitled to the same dividends and other advantages to which he would be entitled if he was the member registered in respect of the share.

Provided that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the shares and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share, until the requirements of the notice have been complied with.

71. The Company shall incur no liability or responsibility whatever in consequence of its registering or to giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or) appearing in the Register to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares notwithstanding that the Company may have had the notice such equitable right title or notice purporting to prohibit registration of such transfer, any may have entered such notice or referred thereto in any book of there Company and the Company shall not be bound or required to regard or attend or give effect to a notice which may be given to it of any equitable right or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some books of the Company but the Company shell nevertheless be at liberty to regard or attend top any such notice and give thereto if the Directors shall so think fit.

72. No transfer shall be made to an infant or person to of unsound mind. Notwithstanding the abovementioned, the Board shall carry out all such acts and pass all the requisite resolutions required to give effect to the provisions of the Article 214 (H) mentioned below.

SHARE WARRANTS TO BEARER

73. The Company may issue share warrants subject to, and in accordance with, the provisions of Section 114 and 115 of the Act, and accordingly, the Board may in with respect to any share which is fully paid-up on writing signed by the person registered as holder of authenticated by such evidence (if any) as the Board may time to time require, as to the identification of the person application, and on receiving the certificate (if any) of the share and the amount or stamps duty on the warrant and such fee as the Board share warrant.

74. 1) The bearer of a share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of

attending and voting and exercising the other privileges of a member at any meeting held after expiry of the two clear days from the time of deposit, as if his name were inserted in the Register as the holder of the shares included in the deposited warrant.

2) Not more than one person shall be recognized as depositor of the share warrant.

3) The Company shall on seven days, written notice, return the deposited share warrant to the depositor.

75. 1) Subject as herein otherwise provided, no person shall as bearer of a share warrant, sign a requisition for calling a meeting of the Company or attend or vote or exercise any other privilege of a member at meeting of the Company or be entitled to receive any notice from the Company.

2) The bearer of a share warrant shall bed entitled in all other respect to the same privileges and advantage as if they were named in the Register of members as the holder of the shares included in the warrant and he shall be member of the Company.

76. The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

CONVERSION OF SHARE INTO STOCK

77. The Company may by ordinary resolution:

(a) Convert any paid-up shares into stock; and
(b) Re-convert any stock into paid-up shares of any denomination.

78. The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulations, under which the shares from which the stock arose might before the conversion have been transferred or as near thereto as circumstances admit.

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

79. The holders of stock, shall according to the amount of stock shall held by them, have the same rights, privileges and advantages as regards dividends, voting at meeting of the Company and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except participation in the dividend and profits of the Company and in the assets on winding up shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

80. Such of the regulations of the Company (other than those relating to share warrants) as are applicable to paid-up shares shall apply to stock and the words “Share” and “Share-holder” in those regulations shall include “stock-holder” respectively.

81. The Directors may from time to time at their discretion raise or borrow any sum or sums of money for the purpose of the Company subject to the provision of Section 292 & 370 of the Act and may secure payment or repayment of same in such manner and upon such terms and conditions in all respects as may be prescribed by the Board in particular by the creation of any

mortgage, hypothecation, pledge or charge in and over the Company stocks, book debts and other movable properties.

82. The Directors may raise or secure the repayment of such sum of sums in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of bonds, perpetual or redeemable debentures, or debenture-stock or any mortgage, charge of other security on the undertaking of the whole or any part of the Company, both present and future, including its uncalled capital for time being or by giving, accepting or endorsing on behalf of there Company any promissory notes, bills of exchange or other negotiable instruments and no debenture shall carry any voting right whether generally or in respect of a particulars class of shares of business.

83. If any uncalled capital of the Company be included in or charged by any mortgage or other security, the Board may, by instrument under the Company's seal, delegate the power under Section 292 of the Act to the person in whose favor such mortgage or security is executed or any other person in trust for him.

84. Any debentures, debenture-stock bonds or other securities may be issued at a discount premium or otherwise and with any special privileges, as to redemption, surrender, drawings allotment of shares, attending at General Meetings of Company, appointment of Directors and otherwise debenture, debenture-stock, bonds or the securities may be made assignable free from any equities between the Company and the person to whom the same may be issued. Provided that debentures, debenture-stocks bond or other securities with a right of allotment of or conversion into shares shall not be issued except with the sanction of the sanction of the Company in General Meeting.

85. Save as provided in section 108 of the Act no transfer of debentures shall be registered unless a proper instrument of transfer duly stamped and executed by the transferor and transferee has been delivered to the Company together with the certificates of the debentures.

86. If the Board refuses to register the transfer of any debentures of the Company it shall within one month from the date on which the instrument of transfer was lodged with the Company, send to the transferee and to the transferor the notice of the refusal.

87. If any Directors or any other person shall become personally liable for the payment of any sum preliminary due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Director or person so becoming liable, as aforesaid, from any loss in respect of such liability.

88. The Directors may receive deposit on such terms and conditions and bearing interest at such rates as they may decide and fix and which may be made payable monthly, quarterly, held-yearly or yearly, subject to the notifications issued from time to time by the Department of Non-Banking Companies, Reserve Bank of India, if any.

89. The Company may subject to the provisions of Section 208 of the Act pay interest on so much of the Share capital as is for the time being paid up as was issued for the purpose of raising money to defray the expenses of the construction of any work or building or the provision of any plant, which cannot be made profitable for a lengthy period.

PROCEEDING AT GENERAL MEETINGS

90. In addition to any other meetings, a general meeting of the Company shall be held within such interval as one specified in Section 166(1) of the Act and, subject to the provision of Section

(2) of the Act, at such times and places as may be determined by the Board. Each such general meeting shall be called and "Annual General Meeting" and shall be specified as such in the notice convening the meeting. Any other meeting of the Company shall be called an Extra-Ordinary General Meeting.

91. The Board may, whenever it thinks fit, call an Extra-Ordinary General Meeting. If at any time, there are not within India, Directors capable of acting who are sufficient in number to form a quorum, the Directors present in India may call an Extra-Ordinary General Meeting in the same manner and as nearly as possible as that in which such a meeting may be called by the Board.

92. The accidental omission to give notice of any meeting to or the non-receipt of any such notice by any of the members or other persons entitled to receive such notice shall invalidate any resolution passed at any such meeting.

93. The Company shall comply with the provisions of Section 188 of the Act as to giving notice of resolutions and circulating statements on the requisition of members.

94. No business shall be transacted at a General Meeting of the Company unless a quorum of members is present at the time when the meetings proceeds to business. Save as herein otherwise provided, five members present in person shall be the quorum for the meeting of the Company.

95. Any Act or resolution which, under these articles or the Act is permitted or required to be done or passed by the Company in General Meeting, shall be sufficiently so done or passed if affected by an ordinary resolution as defined in Section 189(1) of the Act unless either the Act or the Articles specifically require such act to be done or resolution to passed by a specific majority or by special resolution as defined in Section 189(2) of the Act.

96. The Chairman of the Board shall be entitled to take the chair at every General Meeting. If there be no such chairman or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or is unwilling to act, the members present shall choose another director as Chairman, and if no Director be present or if all the Directors present decline to take the chair, then the members present shall choose one of their number entitled to vote to be the chairman of the meeting.

97. If within half an hour from the time appointed for the meeting, a quorum be not present, the meeting if convened upon the requisition of members shall be dissolved but in any other case, it shall stand adjourned to the same day in the next week at the same time and place, and if at such adjourned meeting, a quorum be not present, those members who are present, not being less than two shall be a quorum and may transact the business for which the meeting was called.

98. Every question submitted to meeting shall be decided, in the first instance, by a show of hand and in the case of an equality of votes, whether on a show of hands or on a poll the chairman of the meeting shall be entitled to a second or casting vote in addition to the vote to which he may be entitled as a member.

A declaration by the Chairman that the resolution has on a show of hands, been carried unanimously or by particular majority or lost and an entry to that effect in minutes shall be conclusive evidence of the without further proof.

99. The Chairman of the General Meeting may adjourn the same from time to time and from place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjourned took place. When a meeting is adjourned it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

100. At any General Meeting unless as a poll is (before or on the declaration of the result of the voting on any resolution and on the show of hands) demanded by the Chairman or by at least five members present in person or by proxy or by any member or members present in person or by proxy and having not less than one-tenth of total voting powers in respect of the resolution or by any member or members present in person or by proxy and holding shares in the Company conferring a right to vote on the resolution being shares on which an aggregate sum has been paid-up which is not less than one-tenth of the total sum paid-up on all the shares conferring that right, a declaration by the Chairman that a resolutions has been carried unanimously or by a particular majority or lost or not carried by a particular majority and an entry to that effect in the book containing the minutes of the proceedings of the meeting of the Company shall be conclusive evidence of the fact without proof of the number of proportion of the votes recorded in favor or against the resolution.

101. a) If a poll is demanded as aforesaid, it shall be taken forthwith on a question of adjournment or election of Chairman of the meeting.

b) The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

c) Where poll is to be taken, the Chairman of the meeting shall appoint two scrutinizers, at least one of whom shall be a member (not being an officer employees of the Company) present at the meeting, provided such a member is available and willing to be appointed to scrutinize the votes given on the poll and to report thereon to him.

d) The result of the poll shall be deemed to be the decision of the meeting on the resolution on with the poll was taken. On poll a member entitled to more than on vote or his proxy or other persons entitled to vote for him, as the case may be , need not, if the votes, use all his votes of casts in the same way all the votes he uses.

e) The demand for a poll shall not prevent the meeting from transacting any business other than the business in respect of which a poll has been demanded.

102. Subject to any rights or restrictions for the time being attached to any class or classes of sharesa) On a show of hands, every member present in person, shall have one vote; and

b) On a poll, the voting rights of members shall be as laid down in Section 87 of the Act.

c) At any General Meeting before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the Meeting of his own notion.

103. Except as conferred by Section 87 of the Act, the holders of any preference share has a right to vote on any resolution in accordance with the provision on subsection (2) of the Section 87 of the Act his voting right on poll as the holder of such share shall subject to the provision of Section 89 and sub-section (2) of Section 92 of the Act be in the same proportion as the Capital

paid up in respect of the preference share holders to the total paid-up equity capital of the Company.

104. Where a Company or body-corporate (hereinafter called member company) is a member of the Company a person duly appointed by resolution in accordance with section 187 of the Act of represent such member Company at a meeting is of the Company, shall not by person of such appointment, be deemed to be a proxy and the production at the meeting of a copy of such resolution duly signed by the one Director of such member Company and certified by him as a true copy of the resolution shall, on production at the meeting of the validity of his appointment. Such a person shall be entitled to exercise the same rights and powers, including the right to vote by proxy on. behalf of the member Company or body corporate which he presents, as that member Company or body-corporate could exercise if it where an individual member.

105. Where there are joint-registered holders of any shares any one of such person may vote at any meeting either personally or be proxy in respect and if more than one of such joint holders be present at any meeting either personally or proxy, them one of the said persons so present whose name stands first in the Register in respect of such share shall, alone be entitled to vote in respect thereof. Several executors of administrator of a deceased member in whose name any share stand, shall for the purpose of this Article be deemed joint-holder thereof.

106. Any person entitled under the Transmission Article 67 to transfer any shares may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting as the case may be, at which he purposes to vote, he shall satisfy the Directors of the right to transfer such shares or the Directors shall have previously admitted his right to vote at such meeting in respect thereof. If any member be a lunatic, idiot or non compos-mentis, he may vote whether on a show of hands or at a poll by his committee, curator banis or other legal curator and such last-mentioned persons may give their votes by proxy on a poll. If any member is a minor, the vote is respect of his share may be given by his guardian. If more than one person claim to exercise the right of vote under this clause, the Chairman of the meeting may elect in his absolute discretion any one person and will accept his vote.

107. No member not present in person shall entitled to vote on a show of hands, such member is a Company or corporation present by proxy or by a representative duly authorized under Sec. 187 of the Act, in which case such proxy or representative may vote on the show of hands, as if he were a member of the Company.

108. on a poll, votes may be given either, personally or by proxy or in the case of a Company, by a representative duly authorized as aforesaid.

109. Any member of a Company entitled to attend and vote at meeting of the Company shall be entitled to appoint another person (whether a member or note), as his proxy to attend and vote instead of himself but the proxy so appointed shall not have any right speak at the meeting and shall not be entitled to vote except on a poll.

110. The instrument of appointing a proxy shall be in writing, under the hand of the appointer or his attorney duly authorized in writing or of such appointer is a body corporate under its common seal or the hand of its attorney duly authorized. A proxy who is appointed for specified meeting only shall be called a special proxy. Any other proxy shall be called a general proxy.

111. The instrument appointing a proxy and Power of Attorney or other authority (if any) under which it is signed or a notarial certified copy of that power of authority, shall be deposited at

the office not less than forty-eight hours before the time for hollering the meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid.

112. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or ... of the shares in respect of which the vote is given, provided no intimation in writing of the death, insanity, revocation or transfer shall have been received by the Company at the office before the meeting provided nevertheless that the Chairman of any meeting shall be entitled to re.... such evidence as he may in has discretion think fit on the due execution of an instrument of proxy and that same has not been revolved.

113. Every instrument appointing a special proxy shall as nearly as circumstances admit, be in any of the forms as set out in Schedule IX to the Act.

114. No member shall be entitled to exercise any voting rights, either personally or by proxy, at any meeting of the Company in respect of any shares registered in his name of which any calls or other sums presently payable by him have not been paid or in regard to which the Company has and has exercised any right of them.

115. 1) Any objection as to the admission or rejection of a voter, on a show of hands or on a poll made in due time shall be referred to the meeting who shall forthwith determines the same and such decision shall be final and conclusive.

2) No objection shall be raised to the qualification of any voter except at the meeting in adjourned meeting at which vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes.

115A. Participation in General Meeting(s) of the Members through electronic mode

1) Notwithstanding anything contrary contained in the Articles of Association, the Company may, in pursuance of and subject to compliance with the provisions of applicable rules, regulations, circulars, guidelines, notifications etc. as may be specified by the Ministry of Corporate Affairs (MCA), Securities & Exchange Board of India (SEBI), Stock Exchanges or any other competent authority and the provisions, if any, which may be laid down in this regard by any amendment in or re-enactment of the Companies Act, 1956 or by the rules, regulations, etc. made there under or the Listing Agreement with Stock Exchanges, from time to time, allow the member(s) of the Company to participate in the General Meeting(s) of the members through any type of electronic mode like video conferencing etc. and the members so participating shall be deemed to be present in such General Meeting(s) for the purposes of the quorum, voting, recording of minutes and all other relevant provisions in this regard.

2) For conducting the aforesaid meetings, the Company shall follow the procedure specified under the applicable laws for the time being in force and the rules, regulations, circulars, notifications, guidelines etc. issued/to be issued from time to time by Ministry of Corporate Affairs (MCA), Securities & Exchange Board of India (SEBI), Stock Exchanges or any other competent authority (ies) in this regard.

DIRECTORS

116. Until otherwise determined by the Company General Meeting, the number of Director of the Company shall not be less than three and not more than twelve.

117. The First Directors of the Company are :

MRS. SAVITA CHANDRAKANT RATHI

MR. LAXMINARAYAN CHATRABHUJ RATHI

118. Subject to the approval of the Government under the provision of Section 268 of the Act.

a) While any money remains due by the Company under or by virtue of any mortgage, hypothecation, pledge or otherwise or underwriting agreements executed by the Company in favour of the Government Central and/or State and or of the Industrial Finance Corporation of India, Industrial Development Bank of India, Industrial Credit Corporation, Life Insurance Corporation of India or any other Corporation sponsored by the Government, Central or State and so long as long the loand and or guarantee given by the said Government / Corporation in respect of financial commitments of the Company remain outstanding the said corporations shall be entitled to appoint from time to time any person to be their nominees as Directors of the Company. The Directors so appointed shall have the same powers and privileges and other Directors of the Company. Such Directors appointed by the said Government / Corporation shall not be required to possess any share qualification and the provisions of Articles of Association as to retirement of Director shall not apply to them. The said Director shall hold office at the pleasure of the said corporation who shall have the full power to remove all or any of the Directors appointed by them under this Articles, and to appoint any other or others in his or their places as when their shall deem it necessary. Such appointment or removal shall be by notice in writing to the Company.

b) Any Trust Deed for securing debentures or stocks may if so arranged, provide for the appointment from time to time by the trustee thereof by the holders of the debentures or debenture-stock of some persons to be Director of the Company and may empower such trustees or holder of debentures or debenture-stocks from time to time to remove any Director so appointed. "The Director appointed under this Article is herein referred The Debenture Directors and the term "Debenture Director means the Director for the time being in office under this Articles. The Debenture Director shall be not be bound to hold any qualification shares and shall not be liable to retire by rotation or removed by the Company. The trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding other provisions herein contained.

119. Not less than two-third of total number of Directors of the Company shall :

a) be persons whose period of office is liable to determination by retirement of Directors by rotation; and

b) save as otherwise expressly provided in the Act, be appointed by the Company by the Company in General Meeting.

120. The Company in the General Meeting may subject to provisions of the Articles 116 and Section 259 of the Act by ordinary resolution increase or reduce the number of its Directors.

121. The Directors shall have powers at any time and from time to time to appoint any other person as a Director either to fill up a casual vacancy or as an addition to the Board but so the total number of Directors shall not at any time exceed that the maximum number fixed by the Articles. Any Director so appointed shall hold office only until the conclusive of the next following Annual General Meeting of the Company but shall be eligible for re-election at such meeting.

122. Subject to the provision of Section 313 of the Act or any statutory modification thereof, the Board shall have power to appoint any person to act as alternate Director for a Director during the absence for a period of not less than three months from the state in which meetings of the Directors are ordinarily held and such appointment shall have effect and such appointee, whilst the holders office as an alternate Director, shall be entitled to notice of meetings of the Board and to attend and Vote there at accordingly; but the shall not require any qualification and shall "ipso facto" vacate office if and when the absent Director returns to the state in which meetings of the Boards are ordinarily held or the absent Director vacates office as a Director.

123. A Director need not hold any share in the Company in his name as his qualification, but nevertheless shall be entitled to attend, speak and preside at any general meeting of the Company and at any separate meeting of the holders of any class of shares in the Company.

124. The fee payable to a director for attending a Meeting or Committee thereof shall be decided by the Board of Directors from time to time within the maximum limits of such fees that may be prescribed under the provisions of Section 310 of the Companies Act. 1956.

125. In addition to the remuneration payable to the Directors under Articles 123 thereof, the Directors may be paid all reasonable traveling, hotel and other expenses in attending and returning from the meetings of the Board of Directors or any committee thereof or in connection with the business of the Company.

126. Subject to Section 198, and 310 and 314 of the Act, if any Directors being willing shall be called upon to perform extra service or to make any special exertion in going or residing outside the office for any of the purpose of the Company or in giving special attention to the business of the Company, the Board may remunerate such Directors either by fixed sum, or by percentage to profit or otherwise and such remuneration may be either in addition to or substitution for any remuneration to which he may be ordinarily entitled.

127. The continuing Directors may act notwithstanding any vacancy in the Board but, if and so long as their number is reduced below the quorum fixed by these presents for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum or of summoning of general meeting of the Company, but for no other purpose.

128. 1) The office of a Director shall "ipso facto" become vacant of :

a) he is found to be unsound mind by a Court of competent jurisdiction ; or

b) he applied to be adjudicated as an insolvent ; or

c) he is adjudged an insolvant ; or

d) he is convicted by a Court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months; or

e) he fails to pay any call in respect of shares in the Company held by him whether alone or jointly with others within six months from the last date fixed for the payment of the call unless the Central Government has by notification in the official Gazette, removed the disqualification incurred by such failure ; or

f) he absents himself from three consecutive meetings of the Board or from all meetings of Board for a continuous period of three months, whichever is the longer without obtaining leave of absence from the Board ; or

g) he (whether by himself or by any person for him benefit of his account) or any firm which he is a partner or any private Company of which he is a Director, accepts a loan or any guarantee or security for a loan from the Company in contravention of Section 295 of the Act ; or

h) he acts in contravention of Section 299 of the Act ; or

i) he becomes disqualified by an order of the Court under Section 203 of the Act ; or

j) he is removed in pursuance of Section 284 of the Act ; or

k) having been appointed a Director by virtue of his holding any office or other employment in the Company he ceases to hold such office or other employment in the Company, or

l) by notice in writing to the Company he resigns his office ; or

m) any office or place of profit under the Company or under any subsidiary of the Company is held in contravention of the provision of sub - section.

1) of Section 314 of the Act and by operation of that Section he is deemed to vacate office.

2) Notwithstanding anything in clauses (c), (d) and (i) the disqualification referred in those clauses shall not affect :

a)For thirty days from the date of the adjudication or sentence;

b) Where any appeal or petition is preferred within the thirty days aforesaid against the adjudication, sentence or conviction resulting in the sentences, until the expiry of seven days from the date on which such appeal nor petition is disposed of.

c) Where within the seven days aforesaid, any further appeal or petition is preferred in respect of the adjudication, sentence or conviction, and the appeal or petition, is allowed, would result in the removal of the disqualification until such further appeal or petition is disposed of.

129. A Director of the Company may be or become a Director of any Company promoted by this Company or in which it may be interested as vendor, share holder or otherwise and no such Director shall be accountable for any benefits received as Director or member of such Company.

130. Subject to the provisions of Sections 297, 299 to 301 of the Act, a Director shall not be disqualified from contracting with the Company either as vendor, purchaser or otherwise for

goods, materials or services or for underwriting the subscription or any shares in or debentures of the Company nor shall any such contract or arrangement entered into by or on behalf of the Company with a relative of such Director, or a firm in which such Director or relative is a partner of which any other such Director is a member or Director be void, nor shall any director so contracting, or being such member so interested be liable to account to the Company for any profit realized by such contract or arrangement by reason of such Director holding that office or of the fiduciary relation hereby established.

APPOINTMENT, REMOVAL & ROTATION OF DIRECTOR

131. a) At an Annual General Meeting at which a Director retires by rotation, the Company may fill up the vacancy by appointing the retiring Director or some other person thereto. If the place of the retiring Director is not so filled of the retiring Director is not so filled and the meeting has nor expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding which is not a public holiday at the same time and place.

b) If at the adjourned meeting also the place of the retiring Directors is not filled up and that meeting also has not expressly resolved not to fill up the vacancy, the retiring Directors shall be deemed to have been re-appointed at the adjourned meeting unless.

i) at that meeting or at the previous meetings, a resolution for the re-appointment of such Director has been put and lost ; or

ii) the retiring Director has, by a notice in writing, addressed to the Company or the Board, expressed his unwillingness to be so re-appointed ; or

iii) he is not qualified or as disqualified for appointment ; or

iv) a resolution, whether special or ordinary is required for his appointment or re-appointment in virtue of any provision of the Act, or

v) the provision to sub-section (2) of section 263 of the Act, is application to the case.

132. The Company may, subject to the provisions of Section 284 of the Act by the ordinary resolution of which special notice according to section 190 of the Act has been given remove any Director before the expiry of his period of office and may be ordinary resolution of which special notice has been given, appoint another person in his stead. A Director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been so removed. If the vacancy created by the removal of a Director under the provisions of this Article is not so filled by the meeting at which he is removed the Board may at any time thereafter fill such vacancy under the provisions of Article 133.

133. If the office of any Director appointed by the Company in General Meeting is vacated before his term of office will expire, in the normal course, the resulting vacancy may be filled by the Board at a meeting of the Board, but any person so appointed shall hold office only upto the date upto which the Director is whose place the is appointed would have held office if it had not been is so vacated, provided that the Board shall not fill such a vacancy by appointing thereto any person who has been removed from the office of Directors under Article 132.

134. a) At every Annual General Meeting one-third of such Director for the time as are liable to retire by rotation or, if their number is not three or a multiple or three, then the member nearest to one-third shall retire from office. The retiring Director shall retain his office until dissolution of the meeting at which his successor is elected. An ex-officio Director shall not be liable to retire by rotation within the meaning of this Article.

b) The Directors to retire in every year shall be those who have been longest in office since their last election, but so between person who become Director on the same day those to retire shall unless they otherwise agree amongst themselves, be determined by lot ;

135. A retiring Director shall be eligible for re-election.

136. No person not being a retiring Director shall be eligible for election to the office of Director at any General Meeting, unless he or some other member intending to propose him has, not less than fourteen days and not more than two months before the meeting left at the office a notice in writing duly signed, signifying his candidature for the office of Director or the intention of such member to propose his as a candidate for that office, as the case may be along with a deposit of ₹ 500/- (Rupees Five hundred only) or such sum as may for the time being be prescribed the Act which shall be, refunded in such person or as the case may be to such member, if the person succeeds in getting elected as a Director.

PROCEEDING OF DIRECTORS

137. a) The Directors may meet together for the dispatch of business, and may adjourn and otherwise regulate their meetings and proceedings as they may think fit.

b) The Chairman, Director or any Officer authorized by the Directors may call a meeting of the Board of Directors.

c) Subject to the provisions of Sections 316, 372(5) and 336 of the Act, questions arising at any meeting shall be decided by a majority of votes and in case of any equality of votes the Chairman shall have a second or casting vote.

138. a) Notice of every meeting of the Board or Committee there of shall ordinarily be given in writing to every Director for the time being at his usual address.

b) It shall not be necessary to give notice of a meeting of Directors to any Director for the time being away from India.

139. a) A quorum for the meeting of the Board of Directors shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher. Provided that where at any time the number of interested Directors exceed or is equal to two-thirds of the total strength, the number of remaining Directors that is to say the number of Directors who are not interested, present at the meeting being not less than two shall be the quorum during such time.

140. The Chairman may and on the requisition of a Director shall at any time, summon a meeting of the Board.

141. The Director may choose some one of their number to be Chairman and the Director so chosen shall continue as Chairman until otherwise determined by the Board, if at any meeting of the Board the Chairman be not present within five minutes after the time appointed for holding the same the Directors present shall choose some one of their number to be Chairman of such meeting.

142. A meeting of Board at which a quorum is present shall be competent to exercise all or any of the authorities powers of discretion by or under the Articles or the Act for the time being vested in or exercisable by the Board.

143. Subject to the provision of Section 292 of the Act, the Board may from time to time delegate any of its powers to committee consisting of such member or members of their body, managers and other officers of the Company as it may think fit, and may from time to time revoke such delegation. Any committee so formed shall, in exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon it by the Board. The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions hereinafter contained regulating the meeting and proceeding of the Directors so far as the same are applicable thereto and are not superseded by any regulation made by the Directors under this Clause.

144. All acts done at any meeting of the Directors or of a Committee or by any person acting as a Director, shall not with standing that it may afterwards be discovered there was some defect in the appointment of such Directors or person acting as aforesaid or that they or any of them were disqualified, be as valid as if every such Director or person had been duly appointed and was qualified to be a Director or a member of a committee.

145. Save for the purpose of Sections 262, 292, 297, 316, 372 () and 386 of the Act a resolution shall be as valid and effectual as if it had been passed at a Meeting of the Directors or of the Committee thereof duly called and constituted if it is circulated in draft together with the necessary papers, if any to all the Directors or to all the members of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be) and to all other Directors or member at their usual address in India and has been approved by such of the Directors or members as are then in India or by a majority of such of them as are entitled to vote on the resolution.

145A. Participation in Meeting(s) of Directors through electronic mode

(1) Notwithstanding anything contrary contained in the Articles of Association, the Company may, in pursuance of and subject to compliance with the applicable rules, regulations, circulars, guidelines, notifications etc. as may be specified by the Ministry of Corporate Affairs (MCA), Securities & Exchange Board of India (SEBI), Stock Exchanges or any other competent authority and the provisions, if any, which may be laid down in this regard by any amendment in or re-enactment of the Companies Act, 1956 or by the rules, regulations, etc. made there under or the Listing Agreement with Stock Exchanges, from time to time, the Director(s) may participate in the meeting(s) of the Board or any Committee of the Directors through any type of electronic mode like video conferencing etc. and the Director(s) so participating shall be deemed to be present in the meeting for the purposes of the quorum, voting, recording of minutes and all other relevant provisions in this regard.

(2) For conducting the aforesaid meetings, the Company shall follow the procedure specified under the applicable laws for the time being in force and the rules, regulations, circulars, notifications, guidelines etc. issued/to be issued from time to time by Ministry

of Corporate Affairs (MCA), Securities & Exchange Board of India (SEBI), Stock Exchanges or any other competent authority(ies) in this regard.

POWERS OF THE BOARD

146. Subject to the provisions of the Act, control of the Company shall be vested in the Board, who shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorized to exercise and do ; provided that the Board shall not exercise any power or do any Act or thing which is directed or required whether by the Act or thing which is directed or required whether by the Act or any other statue or by the Memorandum of the Company or by these Articles or otherwise, to be exercised or done by the Company in General Meeting. Provided, further, that in exercising any such powers or doing any such act or thing, the Board shall be subject to the provisions in that behalf contained in the Act any other statute, or in the Memorandum of Association of the Company or in these Articles or in any regulations made by the Company in General Meeting but no regulations made by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if that regulation has not been made.

147. The Company may exercise the powers conferred on it by Sections 157 and 158 of the Act with regard to keeping of a foreign Register; and the Board may (subject to the provisions of those sections) made and very such regulation as it may think fit in respect of the keeping of any such register.

148. Every debenture or other instrument issued by the Company for securing the payment of the money may be so framed that the moneys thereby secured shall be assigned free from any equities between the Company and the person to whom the same may be issued. Any debentures– debenture - stock, bonds or other instruments or securities may be issued at a discount, premium or otherwise and may be issued on a condition that they shall be convertible into any shares of any denomination and with any special privileges as to redemption, surrender, drawing and allotment of shares or otherwise provided that the debenture with right to conversion into or allotment of shares shall not be issued without consent of the Company in General Meeting.

149. The Directors may at any time pay or agree to pay commission to any person inconsideration of subscribing underwriting or agreeing to subscribe or underwrite (whether absolutely or conditionally) any debentures of the Company, but so that if the commission shall be paid or be payable out of the capital the statutory conditions and requirements shall be observed and complied with and the commission shall not exceed two and a half cent of the face value of the debentures.

150. All cheques, promissory notes, drafts, hundies, bills of exchange and other negotiable instruments and all receipts for the monies paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, by the Managing Director or by such person and in such manner as the Board shall from time to time by resolution determine.

151. The Board may take such arrangements as may be thought fir for the management of the Company's affairs abroad and may for this purpose (without prejudice to the generality of their powers) appoint local boards and agents and fix their remuneration and delegate to them such powers as may be deemed requisite or expedient. The foreign seal shall be affixed by the authority and in the presence of any instruments sealed therein shall be signed by such persons as the Board shall from time to time by writing under the seal appoint. The Company may also exercise the powers of keep in Foreign Register.

152. Without prejudice to the General powers conferred by these present but, subject however to Sections 292, 293, 294, 295, 297 and 314 of the Act, it is hereby expressly declared that the Directors shall have the following powersthat is ;

1) To pay the costs, charges, preliminary and incidental to the promotion, formation, establishment and registration of the Company.

2) To pay for any property, rights or privileges acquired by or services rendered to the Company either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company and any such shares may be issued either as fully paid up or with such amount credited as paid up or with such amount credited as paid up thereon as may be agreed upon, and any such bonds, debentures or other securities may be either specifically charged upon all or any part of the property of Company and its uncalled capital or not so charged.

3) To purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorized to acquire at such price and generally on such terms and conditions as they think fit.

4) To secure the fulfillment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company or in such other manner as they think fit.

5) To appoint and at their discretion remove or suspend such managers, secretaries, experts and other officers, clerks , agents and servants for permanent, temporary or special services as they may from time to time think fit and determine their powers and duties and fix their salaries or emoluments and to require security in such instances and to such amount as they think fit.

6) To appoint any person (whether incorporated or not) to accept and to hold in trust for the Company and property belonging to the Company or in which it is interested or for any other purposes and to execute and do all such deed and things as may be requisite in relation to any such trust and to provide for the remuneration of such trustee or trustees.

7) To institute conduct, defend compound, refer to arbitration or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment in satisfaction of any debts, dues and of any claims or demand by or against the Company and act on behalf of the Company in all matters to bankrupts and insolvents and apply and obtain letters of administration, provided that the Board shall not except with the consent of the General Meeting remit or give time for the repayment of any debt due by a Director.

8) To refer any claims or demands by or against the Company or to enter into any contract or agreement for reference to arbitration and to observe, enforce, perform, compound or challenge such awards and to take proceedings for the reversal of the same.

9) To make and give receipts, releases and other discharge for money payable to the Company and for the claims and demands of the Company.

10) To act as trustees in composition of the Company's debtors.

11) To make, very and repeal bye-laws for regulation of business of the Company and duties of officers and servants.

12) Subject to the provisions of the Act, and in particulars, subject to Section 309 and 310 of the Act, to give a Director or any officer or any other person whether employed or not by the Company a commission on the profits of any particular business or transaction or a share in the general profits of the Company and any such commission or share of profit shall be treated as part of the working expenses of the Company.

13) At any time and from time to time by power of Attorney under the seal of the Company, to appoint any person or persons to be the attorney of the Company in India or abroad for such purpose and with such powers, authorities and discretion and for such period and subject to such conditions as the Directors may from time to time think fit, and any such appointment may be made in favor of any Company or the Members, Directors, Nominated directly or indirectly by the Directors any and such power of attorney may contain such power enabling any such delegates or attorneys as aforesaid sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.

14) With the sanction of the Board to execute in the name and on behalf of the Company, in favor of any Director or other person who may incur or be about to incur any personal liability for the the benefit of the Company such mortgages of the Company's property (present and future) as they think fit and any such mortgage may contain a power of sale and any such powers, convenient and provisions as shall be agreed upon or other agreements as may be thought fit.

15) In conformity with Sections 293 (1) (c) and 372 of the Act, to invest and deal with any of the monies of the Company in such manner as they think fit and from time to time to vary or realise such investments.

16) To entert into all such negotiations and contracts, rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient for on in relation to any of the matters aforesaid or otherwise for the purpose of the Company.

17) The act jointly or severally in all or any of the powers conferred on them.

18) To comply with the requirements of the Act or any other local law which in their opinion shall, in the interest of the Company be necessary or expedient to comply with.

19) To delegate all or any of the powers, authorities and discretions for the time being vested in them and in particulars, from time to time to provide by the appointment of the attorney or attorneys for the management and transaction of the affairs of the Company in any specified locality in such manner as they think fit.

20) To provide for the welfare of employees or ex-employees of the Company and the wives, widows and families of the dependants or connections of such persons by building or contributing to the building of houses dwelling or chawls or by brants of money, pensions, allowances, bonuses or other payment or by creating and from time to time subscribing or contributing to provident fund and other associations, institutions, funds or trusts and by providing or subscribing or contributing towards

place of instruction’s recreations hospitals and dispensaries and all other kids of medical relief.

21) Subject to the Section 293 (1) (e) of the Act to subscribe or contribute or otherwise to assist or to guarantee money to charitable benevolent, religious, national, social, scientific, literary, educational, medical or other institutions the objects of which shall have any moral or other claim for support or aid by the Company either by reason of locality of operation or of public and general utility or otherwise.

22) To open and deal with the current accounts, overdraft accounts with any bank of banks for carrying on any business of the Company.

23) Subject to Section 293 (a) of the Act to sell or dispose any of properties of the Company to any person in consideration of cash payment in lump sum or by installment or in return for any other service rendered to the Company.

24) To get insured any or all the properties of the Company and any or all the employees and their dependants against any or all risks.

25) To appoint and nominate any person or persons to act a proxy or proxies for the purpose of attending or voting on behalf of the Company at a meeting of any Company or association.

26) Subject to Section 294 of the Act to appoint purchasing and selling agents for the purchase and the sale of Company’s requirement and products respectively.

27) Subject to Section 293 (e) of the Act to give away y in charity monies received from any sources whatever or from any assets of the Company for any charitable purposes.

28) Before declaring any dividend to set aside such portion of the profit of the Company as they think fit, to from a fund of provide for the pension, gratuities or compensation or create a provident fund or benefit fund in such manner as the Directors deem fit.

29) To realize, compound and allow time for the payment or satisfaction of any debts due to or by the Company and any claims or demands by or against the Company to arbitration and observe and perform the awards.

30) To borrow or raise or secure the payment of money in such manner as the Company shall think fit and in particular by the issue debentures or debenture-stock perpetual or otherwise charges upon all or any of the Company’s property (both presented future) including its uncalled capital and to purchase, redeem or pay off any such securities.

LOCAL MANAGEMENT

153. The Directors may from time to time provide for the ‘Management and transaction of the affairs of the Company in the specified locality whether at home or abroad in such manner as they think fit and the provisions contained in the three next following Articles shall be without prejudice to the general powers conferred by this Article but subject to the provisions of Section 292 to 297 of the Act.

154. The Directors from time to time, and at any time any establish any local office or agencies for managing any of the affairs of the Company in any such specified locality and may appoint any persons to be members of such local officers or any managers or agents and may fix their remuneration. And the Directors from time to time, and at any time may subject to the provisions of Section 292 to 297 of the Act delegate to any person so appointed any of the powers and authorities and discretions for the time being vested in them and may authorize the members for the time being of any such local officers of any of them to fill up any vacancies therein and to act notwithstanding vacancies and such appointment or delegation may be made on such terms and conditions as the Directors may think fit and the Directors may at any time remove any person so appointed, and may annual or vary and such delegation.

155. The Director may at any time and from time to time by powers of attorney under the Company's seal, appoint any person or persons to be the attorneys of the Company for such purpose and subject to the provisions of Sections 292 to 297 of the Act with such powers, authorities and discretion not exceeding those vested in or exercisable by the Directors under these presents and for such period and subject to such conditions as the Directors may from time to time think fit, and any such appointment may if the Directors may think fit, be made in favor of the members, or managers of the Company or firm, or in favor of any fluctuating body persons whether nominated directly or indirectly by the Directors, and any such powers of attorney may contain such provisions for the protection or conveniences of persons dealing with such attorneys as the Director's think fit.

156. Any such delegated or attorney aforesaid may be authorized by the Directors to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them–

MANAGING / WHOLE - TIME DIRECTORS

157. The Company by ordinary resolution or the Directors may subject to the provisions of Section 268 and 269 of the Act, from time to time appoint one or more of the Directors to be Managing Director or Managing Directors or other whole-time Directors of Company for a term not exceeding five years at a time and may from time to time subject to the provisions of any contract between him or them and the Company remove or dismiss him or them from office and appoint another or others in his or their place or places.

158. All the Directors, except the Director who is designated as Managing Director, shall be liable to retire by rotation subject to the provisions of any contract between the Director and the Company, Whole Time Director who is re-appointed as a Director immediately on retirement by rotation shall continue to hold his office of Whole Time Director and such re-appointment as Director shall not be deemed to constitute break in his appointment as Whole Time Director.

159. Subject to the provisions of Section 309, 310 and 311 of the Act, a Managing Director or whole-time Director shall, in addition to the usual remuneration payable to him as a Director of the Company under these articles, receive such additional remuneration as may from time to time be sanctioned by the Company and may be by way of fixed salary or at a specified percentage of the net profits of the Company or both provided that such percentage shall not exceed five per cent for any one Managing or whole-time Director and ten per cent for all of them together.

160. The Directors may, subject to the provisions of Sections 291 to 297 of the Act, from time to time entrust to and confer upon a Managing Director or whole-time to time for the time being such of the powers exercisable under these presents by the Directors as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes, and

upon such terms and conditions and with such restrictions as they think expedient; and they may confer such powers either collaterally with or to the exclusion of , and substitution for all or any of the powers of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

MANAGER

161. Subject to the provisions of the Act, the Board shall have powers to appoint or employ any person to be the Manager of the Company upon such terms and conditions as the Board thinks fit, and the Board may, subject to the provisions of Section 291 of the Act, vest in such manager such of the powers, vested in the Board generally, as it think fit, and such powers may be made made exercisable for such periods, and upon such conditions and subject to such restrictions as it may determine, and at such remuneration as it may think fit.

162. A Director may be appointed as manager.

SECRETARY

163. The Board may from time to time appoint or employ any person to be the secretary of the Company upon such terms, conditions and remuneration as it thinks fit to perform any functions which by the Act or the Articles for the time being of the Company are to be performed by the Secretary, and to execute any other purely ministerial or administrative duties which may from time to time be assigned to the Secretary by the Board. The Board may also at the any time appoint some persons (who need not to be the Secretary) to keep the register required to be kept by the Company.

164. Subject to the provisions of the Act, a Director may be appointed as Secretary.

165. a) The Directors shall provide a common seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof and the Directors shall provide for the safe custody of the Seal for the time being.

b) The seal shall not be affixed to any instrument except in the presence of Director or an officer duly authorized who shall sign every instrument which seal shall be affixed. Provided, nevertheless, that any instrument other than a share certificate bearing the seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority of the Board to issue of same. Provided further that in respect of issue of share certificates the provisions of the Companies (issue of share Certificates) Rules 1960 shall apply.

c) The Directors may provide for use in any territory outside India an official seal subject to the provisions of Section 50 of the Act.

ANNUAL RETURNS

166. The Company shall make the requisite Annual return in accordance with Sections 159 and 161 of the Act.

RESERVES

167. Board may from time to time, before recommending any dividend set apart any such portion of the profits of the Company as it thinks fit as reserves to meet contingencies or for the liquidation of any debentures, debts or the liabilities of the Company or for equalization of dividends or for repairing, improving or maintaining any of the property of the Company and for such other purposes of the Company of the Company as the Board in its absolute discretion thinks conducive to the interest of the Company, and may subject to the provisions of Section 372 of the Act, invest the several sums so set aside upon such investments (other than shares in the Company) as it may think fit, and may from time to time deal with and vary such investments and dispose of all or any part thereof for the benefit of the Company, and may divide the reserve into such special funds as it thinks fit, with full power to employ the reserves or any part thereof in the business of the Company, and that without being bound to keep the same separated from the other assets. The Board may also carry forward any profits which it may think prudent not to divide without setting them aside as a reserve.

168. All money carried to the reserves shall nevertheless remain and be the profit of the Company applicable, subject to due provisions being made for actual loss or depreciation, for the payment of dividends and such moneys and all other moneys of the Company not immediately required for the purposes of the Company may subject to the provisions of Sections 370 of the Act, be invested by the Board in our upon such investment or securities as it may select or may be used as working capital or be kept at any Bank of deposit or otherwise as the Board may from time to time proper.

169. 1) The Company in General Meeting may, upon the recommendation of the Board, resolve.

a) to capitalise whole or any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account or otherwise available for distribution ; and

b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled there to if distributed by way of dividend and in the same proportions.

2) The sum aforesaid shall not be paid in such, but shall be applied, subject to provisions contained in clause

3) either in or towards :

i) Paying up any amounts for the time being due on any shares held by such members respectively.

ii) Paying up in full, un-issued shares, of the Company to be alloted and distributed, credited as fully paid up, to be and amongst such members in the proportion aforesaid or

iii) Party in the way specifies in sub-clause (1) and partly in that specifies in sub-clause (2)

3) A share premium account and a capital redemption reserve fund may, for the purpose of this Article, only be applied in the paying up of un-issued shares to be issued, to members of the Company as fully bonus shares.

4) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.

170. 1) Whenever such resolution as aforesaid shall have been passedBoard shall:-

a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any ; and

b) generally do all acts and things required to give effect hereto.

2) The Board shall have full power: -

a) to make such provisions by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and also

b) to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalization of (as the case may require) for the payment by the Company on their behalf by the application thereto of their respective proportions of the profits resolved to be capitalized of the amounts or any part of the amounts remaining unpaid on their existing shares.

3) Any agreement made under such authority shall be effective and binding on all such members.

INTEREST OUT OF CAPITAL

171. Where any shares are issued for the purposes of raising money to defray the expenses of the construction of any work or building, or the provision of any plant, which cannot be made profitable for a lengthy period the Company may pay interest on so much of that share capital as is for the time being paid up, for the period at the rate and subject to the conditions and the restrictions imposed by Section 208 of the Act and may charge the sum so paid by way of interest to capital as part of the cost of construction of the work or building or the provisions of plant.

DIVIDENDS

172. Subject to the rights of members entitled to a share (if any) with preferential or special rights attached thereto the profits of the Company which shall from time to time be determined to divide in respect of any year or other period shall be applied in the payment of a dividend on the Equity Shares of the Company, but so such a of partly paid-up share shall be only entitled to such a proportion of the distribution upon a fully paid-up share proportionately to the amount paid our credited thereon during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms of providing that it shall rank for dividend from a particular date, such share shall rank for dividend accordingly. Where capital is paid-up in advance of calls upon the footing that the same shall carry interest such capital shall not whilst carrying interest confer a right to dividend or to participate in profits.

173. The profits of the Company, Subject to any special rights relating thereto created or authorized to be created by these presents and subject to the provisions of these Articles shall be divisible

among the members in proportion to the amount of capital paid-up on the shares held by them respectively.

174. The Company in general meeting may declare a dividend to be paid to the members according to their rights and interest in the profits and may subject to the provisions of Section 207 of the Act, fix time for payment.

175. No larger dividend shall be declared than is recommended by the Board but the Company in general meeting may declare a smaller dividend.

176. No dividend shall be payable except out of the profits of the Company or out of monies provided by the Central or State Government for the payment of dividend in pursuance of any guarantee given by such Government and no dividend shall carry interest against the Company.

177. The declaration of the Board as to the amount of net profits of the Company shall be conclusive, subject to the provisions of the Act.

178. The Directors, if in their opinion, the position of the Company justifies may from time to time without the sanction of a general meeting pay interim dividends to one or more classes of shares to the exclusion of other at rates which may be differing from class to class and when declaring such dividend they should satisfy themselves that the preference shares which have prior claim in respect of payment of divided shall have their entire rated divided at the time of final preparation of the accounts for the period.

179. No member shall be entitled to receive payment of and dividend in respect of his share of shares whilst any money may be due or owing from him as is presently payable to the Company in respect of such share or shares or otherwise on account of any debts liabilities or engagements with any other person or person and the Directors may deduct from the dividend or interest payable to any member all sums of money so due from him to the Company.

180. Any General Meeting declaring a dividend may make call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and so that the call made earlier be payable at the same time as the dividend and the dividend may if so arranged between the Company and the member, be set off against the call. The making of a call under this Article shall be deemed ordinary business of an ordinary meeting which declares dividends.

181. A transfer of share shall not pass the right to any dividend declared thereon before the registration of the Company.

182. The Directors may retain the dividends payable upon share in respect of which any person is under the Transmission Article entitled to become a member or which any person under that Article is entitled to transfer until such person shall become a member in respect thereof or shall transfer the same.

183. The Directors may retain any dividend on which the Company has a lien may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

184. Any one of several persons who are members registered jointly in respect of any share may give effectual receipts for all dividends, bonuses and other payments in respect of such shares.

185. Notice of any dividend whether interim or otherwise shall given to the person entitled to share therein the manner hereinafter provided.

186. Unless otherwise directed in accordance with Section 286 of the Act, any dividend may be paid by cheque or warrant sent through the post of he registered address of the member or person entitled thereto, or in the case of joint-holder to the registered address of that one whose names stands first on the register in respect of the joint-holding or to such persons and at such address as the member or person entitled or such joint-holder as the case may be, may direct and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent or to the order of such other person as the member or person as the member or person entitled or such joint-holders, as the case may be, may direct.

187. No unclaimed dividend shall be forfeited by the Board unless the claim thereto becomes barred by law and the Company shall comply with all the provisions of section 205A of the Act in respect of any unclaimed or unpaid dividend.

188. The Company shall not be responsible for the loss of any cheque, dividend warrant or postal order sent by post in respect of dividends, whether by request or otherwise, at the registered address or the address communicated to the office before hand by the member or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent recovery thereof by any other means.

BOOKS AND DOCUMENTS

189. The Directors shall cause to be kept in accordance with Section 209 of the Act proper books of accounts with respect to :-

a) all sums of money received and spent by the Company and the matters in respect of which the receipt and expenditure take place.

b) all sales and purchases of goods by the Company.

c) the assets and liabilities of the Company.

190. The books of accounts shall be kept at the office or at such other place as the Board think fit and shall be open to inspection by the Directors during business hours.

191. The Directors shall from time to time, subject to the provisions of Sections 163, 194 and 219 of the Act determine whether and to what extend and at what time and places and under what conditions, the documents and register or any under what conditions, the documents and which inspection is allowed by the act shall be kept open for the inspection of the members. Till decided otherwise open for inspection to the person entitled thereto between 11 A.M. to 1 P.M. on all working days. No member (not being a Director) shall have any right for inspection of any account or book or documents of the Company except as conferred by law or by Act or authorized by the Director, or by resolution of the Company in general meeting and no member, not being a Director shall be entitled to receive any information concerning the business trading or customers of the Company or any trade secret on secret process of or used by the Company.

AUDIT

192. Once at least in every year the books of accounts of the Company shall be examined by one or more Auditor or Auditors.

193. The Company at each Annual General Meeting shall appoint an auditor or auditors to hold office and until the next Annual General Meeting and their appointment, remuneration, rights and duties shall be regulated by Sections 224 to 227 of the Act.

194. Where the Company has a branch office, the provisions of Section 228 of the Act shall apply.

195. All notice of, and other communication relating to any General Meeting of the Company which any member of the Company is entitled to have been sent to him shall also be forwarded to the Auditor of the Company, and the Auditor shall be entitled to attend any General Meeting and to be heard at any General Meeting which he attends to any part of the business which concerns him as an auditor.

196. The Auditor's Report shall be read before the Company in General Meeting and shall be open to inspection by any member of the Company.

197. Every Balance Sheet and Profit and Loss Account of the Company when audited and adopted by the Company in General Meeting shall be conclusive in respect of transactions of the Company for the relevant year.

198. The Company shall comply with the provisions of Sections 53, 172 and 190 of the Act as to the serving of notices.

199. The accidental omission to give notice to, or the non-receipt to notice, by any member or other person to whom it should be given shall not invalidate the proceedings at the meetings.

200. Every person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which previously to his name and address being entered in the Register, shall be duly given to the person from whom he derives his title to such share.

201. The signature to any notice to be given by the Company may be written, printed, or lithographed.

202. Any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these Articles shall, notwithstanding such member be then deceased, be and whether or not the Company has have whether registered solely or jointly with other persons, until some other person be registered in his stead as the member in respect thereof and such service for all purposes of the Articles be deemed a sufficient service of such notice or document, on his or her heirs executors or administrators and all persons, if any, jointly interested with him or her in any such share.

203. Any notice required to be given by the Company to the members of any of them and not expressly provided for these Articles or by the Act shall be sufficiently given by advertisement.

204. Any notice required being or which may be given by advertisement shall be advertised one in or more newspapers circulating in the neighborhood of the registered office.

205. Any notice by advertisement shall be deemed to have been given on the day on which the advertisement shall first appear.

206. On any sale or any part of the undertaking of the Company the Board or the Liquidators on a winding up may, if authorized by special resolution, accept fully paid or partly paid-up shares, debentures of securities of any other Company, whether incorporated in India or not either then existing or to be formed for he purchase in the whole or in the part of the property of the Company, and the Board (if the profits of the Company permit) or the Liquidators (in a winding up) may distribute such shares or securities, or any other property of the Company amongst the member without realization, or vest the same in trustees for them, and any Special Resolution may provide for the distribution or appropriation of cash shares or other securities, benefits or property, otherwise than in accordance with the strict legal rights of the member, contributories of the Company, and for the valuation of any such securities or property at such price and in such manner at the meeting may approve and all holders of shares shall subject to the provisions of Section 395 of the Act, be bound to accept and shall be bound by any valuation of distribution so authorized and waive all rights in relation there to save only in case the Company is proposed to be or is in course of being wound up and subject to the provision of Section 484 of the Act as are incapable of being varied of exclude by these Articles.

WINDING UP

207. On winding Preference Shares will rank as regards Capital in priority to Equity Shares, to the extent of the paid-up value of the said shares but to no other rights participating in its assets.

208. 1) Subject to the provisions of the Act, if the Company shall be wound up, the liquidator may with the sanction of a special resolution of the Company and any other sanction required by the Act divide amongst contributories in specie or kind the whole or any part of the assets of the Company whether they shall consist of property of the same kind or not.

2) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

3) The liquidator may, with the like sanction of a special resolution, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories or any of them as the liquidator small think fit.

209. 1) In the event of the Company being wound up the holder of preference hares, it any, shall be entitled to have the surplus assets available for distribution amongst members as such applied in the first place in repaying to them the amount paid-up to the preference shares held by them respectively and any arrears of dividend unto the commencement of the winding up, whether declared or not. If the surplus assets available as aforesaid shall be insufficient to repay the whole of the amount paid-up on the preference share any any arrears of dividend, such assets shall be distributed amongst the holders of preference. Shares that the losses shall be born by the holders of preference shares as nearly as may be in Proportion to the Capital paid-up which ought to have been paid-up on the shares held by them at the commencement of the winding-up and the arrears of dividend as aforesaid.

2) The assets, if any, available for distribution after payment to the preference share-holders as aforesaid shall be distributed amongst the holders of Equity Shares in proportion to the capital at the commencement of the winding-up, paid-up or which ought to have been paid-up on the shares in respect of which they were respectively registered.

3) This Article is to be without prejudice to the right and privileges amongst holders of preference shares of difference series.

SECRECY

210. Subject to provisions of Section 635B of the Act, every Director, Manager, Auditor, Trustee, Member of a committee, Officer, Servant, Agent, Accountant or other person employed in business of the Company shall if so required by the Board before entering upon his duties sign a declaration pledging himself to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Board or by any meeting or by a court of law and except so far as may be necessary in order to comply with any of the provisions in these presents contained.

211. No member or other person (not being a Director) shall be entitled to visit or inspect any works of the Company or to enter upon the property of the Company or to inspect or examine the Company's premises or properties of the Company without the permission of the Board or subject to Article 191 to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and within the opinion of the Directors it will be inexpedient in the interest of the members of the Company to communicate.

212. Every Director, Managing Directors, Manager, Secretary or Officer of the Company or any person (whether an officer of the Company or not) employed by the Company and any person appointed by the Company as Auditor shall be indemnified out of the assets of the Company against all liabilities incurred by him as such Director, Managing Director, Manager, Secretary, Officer or Auditor in defending any proceedings, whether civil or criminal, in which judgment is given in his favor or in which he is acquitted or in connection with any application under Section 633 of the Act in which relief is granted to him by the Court.

213. Save and except so far as the provisions of theses Articles shall be avoided by Section 201 of the Act, the Board Managers, Auditors, Secretary, and other Officers or servants for the time being of the Company and Trustees (if any) for the time being acting in relation to any of the affairs of the Company and every one of them and every one of their executors and administrators shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, cots, charges losses, damage and expenses which they or any of them, their executors or administrators shall sustain by reason any act done, concurred in or committed in or about the execution of their duty in their respective officers or trusts except such (if any) as they shall incur or sustain through or by their own willful neglect of default respectively and none of them shall be answerable for the act, receipts, neglects or default of the other or others of them or for joining in any receipt for the sake of conformity or for any bankers or other persons with whom any moneys or effects belonging to the Company shall be deposited or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be invested or for any other loss, misfortune or damage which may happen in the execution of their respective officers or trust or in relation thereto unless the same shall happen by or through their own willful neglect of default respectively.

SECTION XI - OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of filing of the Draft Red Herring Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Draft Red Herring Prospectus will be delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company from date of filing the Draft Red Herring Prospectus with RoC to Bid / Issue Closing Date on working days from the date of filing of the Draft Red Herring Prospectus until the date of closure of the Issue.

MATERIAL CONTRACTS

1. Issue Agreement dated March 26, 2013 amongst our Company, the Selling Shareholders and the BRLMs appointing them as the Book Running Lead Manager to the Issue.

2. Memorandum of Understanding dated March 26, 2013 amongst our Company, the Selling Shareholders and Link Intime India Private Limited appointing them as Registrar to this Issue.

3. Tripartite Agreement dated October 9, 2006 amongst our Company, NSDL and System Support Services.

4. Tripartite Agreement dated [●] amongst our Company, CDSL and Link Intime India Private Limited.

5. Escrow Agreement dated [●] amongst our Company, the Selling Shareholders, the BRLMs, Syndicate Member, Escrow Collection Banks and the Registrar to the Issue.

6. Syndicate Agreement dated [●] amongst our Company, the Selling Shareholders, BRLMs, and the Syndicate Members.

7. Underwriting Agreement dated [●] amongst our Company, BRLMs and the Syndicate Member.

MATERIAL DOCUMENTS

8. The Memorandum and Articles of Association of our Company, as amended from time to time.

9. Copy of Certificate of Incorporation dated 15th March, 1989 issued by the Registrar of Companies Mumbai, Maharashtra.

10. Fresh Certificate of Incorporation dated 28th May, 1992 issued by the Registrar of Companies, Mumbai, Maharashtra.

11. Fresh Certificate of Incorporation dated 19th August, 2005 issued by the Registrar of Companies, Mumbai, Maharashtra.

12. Extra-Ordinary General Meeting resolution dated February 2, 2013 and the resolution of the Board dated January 8, 2013 authorising the Issue.

13. Share Subscription and Shareholders' Agreement dated June 22, 2012 between the Company, its Promoters, Kotak India Venture Fund I, Kotak Employees Investment Trust and Kotak India Venture (Offshore) Fund.

14. Copy of resolution dated April 1, 2010 for reappointment and authorising the remuneration of our current Managing Director Mr. Chandrakant Laxminarayan Rathi.

15. Copy of resolution dated April 1, 2009 for appointment and authorising the remuneration of our current Whole Time Director, Mr. Mukund Madhusudan Kabra.

16. Copy of resolution dated January 1, 2011 for appointment and authorising the remuneration of our current Whole Time Director, Mrs. Savita Rathi.

17. Copy of Restated Audit report and the consolidated and standalone restated financial statements for fiscal years 2008, 2009, 2010, 2011, 2012 and for the six months period ending September 30, 2012 by the statutory auditor, Walker, Chandiok & Co, dated March 28, 2013 included in the Draft Red Herring Prospectus.

18. Annual Reports of our Company for the fiscal years 2008, 2009, 2010, 2011 and 2012.

19. Copy of the ABL – Employee Stock Option Scheme 2002.

20. Statement of Tax Benefits dated March 25, 2013 issued by the statutory auditor of the Company Walker, Chandiok & Co.

21. RBI approval dated [●] for the sale of the Equity Shares by the Selling Shareholders as a part of the Issue.

22. FIPB approval dated [●] for investment into the Company by foreign investors in terms of the extant foreign policy.

23. IPO Grading Report issued by [●] dated [●].

24. Consents in writing from our Directors, Company Secretary, Compliance Officer, Statutory Auditors, Bankers to our Company, Bankers to the Issue, Book Running Lead Manager(s), Syndicate Member(s), Underwriter(s), IPO Grading Agency, Registrar of the Issue, Legal Advisor to the Issue to act in their respective capacities.

25. Consent from all Individual Selling Shareholders dated March 26, 2013 and Consent from Chandrakant Rathi Finance and Investment Company Private Limited dated March 10, 2013, in relation to the Offer for Sale.

26. Initial listing applications dated [●] and [●] filed with the BSE and the NSE respectively.

27. In-principle listing approvals from BSE and NSE dated [●] and [●] respectively.

28. Due Diligence Certificate dated March 28, 2013 to SEBI from ICICI Securities Limited and SBI Capital Markets Limited, the Book Running Lead Managers to the Issue.

29. SEBI observation letter no. [●] dated [●].

Any of the contracts or documents mentioned in the Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

[●]

DECLARATION

DECLARATION BY OUR COMPANY

This Draft Red Herring Prospectus has been approved by the Board of Directors and the Chief Financial Officer of our Company. We hereby declare and certify that all the relevant provisions of the Companies Act, 1956, as amended till date, and the guidelines issued by the Government of India or the regulations issued by Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, as amended till date, the Securities and Exchange Board of India Act, 1992, as amended till date, or rules or regulations made there under or guidelines issued, as the case may be. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS AND THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Sd/-

Mr. Chandrakant Laxminarayan Rathi
Managing Director

Sd/-

Mr. Vasant Laxminarayan Rathi
Non-Executive and Non-Independent Director

Sd/-

Mr. Kedar Jagdish Desai
Chairman, Non-Executive and Independent Director

Sd/-

Mrs. Savita Chandrakant Rathi
Executive Director

Sd/-

Mr. Mukund Madhusudan Kabra
Executive Director

Sd/-

Mr. Pradip Bhailal Shah
Non-Executive and Non-Independent Director

Sd/-

Mr. K. V. Ramakrishna
Non-Executive and Non-Independent Director

Sd/-

Mr. Pavan Kumar Gupta
Non-Executive and Independent Director

Sd/-

Mr. Ramesh Thakorlal Mehta
Non-Executive and Independent Director

Sd/-

Mr. Beni Prasad Rauka
Chief Financial Officer

Date: March 28, 2013

Place: Mumbai

DECLARATION BY THE SELLING SHAREHOLDER

The undersigned Selling Shareholder, hereby certifies that all statements and undertakings made by the Selling Shareholder in this Draft Red Herring Prospectus about or in relation to itself and the Equity Shares being sold by it in the Offer for Sale are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements made by the Company or any other Selling Shareholder or any expert or any other person(s) in this Draft Red Herring Prospectus.

Signed by the Selling Shareholder

Sd/-

Mr. Vasant Laxminarayan Rathi

DECLARATION BY THE SELLING SHAREHOLDER

The undersigned Selling Shareholder, hereby certifies that all statements and undertakings made by the Selling Shareholder in this Draft Red Herring Prospectus about or in relation to itself and the Equity Shares being sold by it in the Offer for Sale are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements made by the Company or any other Selling Shareholder or any expert or any other person(s) in this Draft Red Herring Prospectus.

Signed by the Selling Shareholder

Sd/-

Mr. Pradip Bhailal Shah

DECLARATION BY THE SELLING SHAREHOLDER

The undersigned Selling Shareholder, hereby certifies that all statements and undertakings made by the Selling Shareholder in this Draft Red Herring Prospectus about or in relation to itself and the Equity Shares being sold by it in the Offer for Sale are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements made by the Company or any other Selling Shareholder or any expert or any other person(s) in this Draft Red Herring Prospectus.

Signed by the Selling Shareholder

Sd/-

Mrs. Savita Rathi, Director
Chandrakant Rathi Finance and Investment Company Private Limited

DECLARATION BY THE SELLING SHAREHOLDER

The undersigned Selling Shareholder, hereby certifies that all statements and undertakings made by the Selling Shareholder in this Draft Red Herring Prospectus about or in relation to itself and the Equity Shares being sold by it in the Offer for Sale are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements made by the Company or any other Selling Shareholder or any expert or any other person(s) in this Draft Red Herring Prospectus.

Signed by the Selling Shareholder

Sd/-

Mr. Madhusudan Kabra

DECLARATION BY THE SELLING SHAREHOLDER

The undersigned Selling Shareholder, hereby certifies that all statements and undertakings made by the Selling Shareholder in this Draft Red Herring Prospectus about or in relation to itself and the Equity Shares being sold by it in the Offer for Sale are true and correct, provided however, that the undersigned Selling Shareholder assumes no responsibility for any of the statements made by the Company or any other Selling Shareholder or any expert or any other person(s) in this Draft Red Herring Prospectus.

Signed by the Selling Shareholder

Sd/-

Mr. Kishor Laxminarayan Rathi